

City Service Area

Strategic Support



Mission: *To effectively develop, manage and safeguard the City's fiscal, physical, technological and human resources to enable and enhance the delivery of City services and projects.*

The Strategic Support CSA has ownership and responsibility for leading and managing the city organization in a manner that facilitates the innovative and efficient delivery of services and programs to customers. This CSA develops and enables strategies that facilitate the City Council's vision for the community. The strategic support elements of the CSA promote the organization's business goals by:

- Recruiting and developing a high performing workforce;
- Building and maintaining the capital assets of the organization;
- Providing effective state-of-the art technologies as a resource for staff and customers; and
- Securing and managing the fiscal resources required to deliver services and programs.

Through these collective efforts, partners in this CSA provide the leadership, direction and resources required to modernize the organization while at the same time sustaining and continuing to enhance the quality of life for the entire community of San José.

Primary Partners

Employee Services
Finance
General Services
Information Technology
Public Works
Redevelopment
Retirement

CSA OUTCOMES

- A High Performing Workforce that is Committed to Exceeding Customer Expectations
- Safe and Functional Public Infrastructure, Facilities, Materials and Equipment
- Effective Use of State-Of-The-Art Technology
- Sound Fiscal Management that Facilitates Meeting the Needs of the Community

City Service Area

Strategic Support

BUDGET SUMMARY

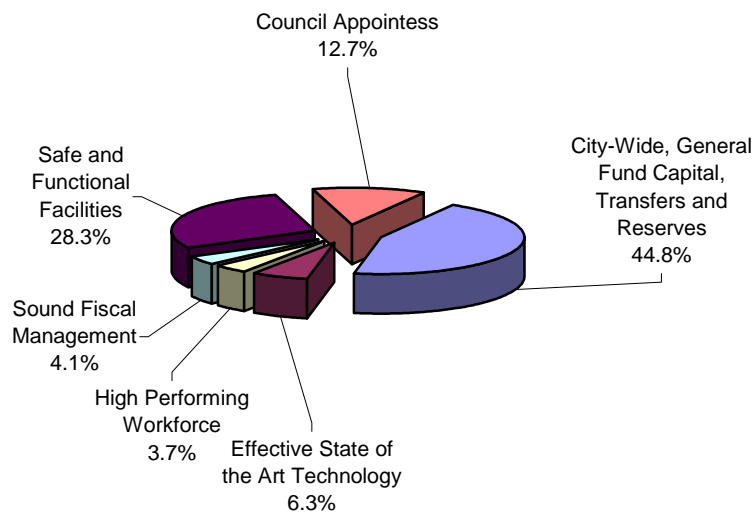
Budget at a Glance

	2003-2004 Adopted	2004-2005 Adopted	% Change
Total CSA Budget (All Funds)	287,651,970	257,751,898	(10.4%)
Total Authorized Positions	1,183.57	1,054.33	(10.9%)

Budget & Performance Highlights

- Information Technology staff has been reduced by approximately 11.6% in the past two years. At this level, committing resources to the level required to implement and support the new technology in the New City Hall while maintaining existing shared systems will challenge this CSA's ability to meet the technology demands of the organization as a whole.
- Elimination of eight General Services positions will have negative impacts to service delivery. Health and safety related building issues and public safety fleet availability will however continue to be the first priority and the core services will strive to ensure that performance measures related to safety will be maintained at 100%.
- With the loss of two-thirds of City-wide training funding in the past two years, efforts will now focus almost exclusively on a new mentorship program, an enhanced leadership academy, the supervision and leadership training, and orientation for new employees. Classes on computer, analytical, and communication skills will be offered at a minimum level.
- Despite the economic downturn, the City's Capital Improvement Program remains strong with a projected award of 133 construction contracts and completion of 192 projects in 2003-2004. This is part of a total of 574 completed projects since July 2000.

2004-2005 Total Operations by Outcome



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BUDGET SUMMARY

City Service Area Budget Summary

Dollars by Core Service	2002-2003 Actual 1	2003-2004 Adopted 2	2004-2005 Forecast 3	2004-2005 Adopted 4	% Change (2 to 4)
Administer Retirement Plans	\$ 1,702,934	\$ 2,014,693	\$ 2,076,190	\$ 2,076,190	3.1%
City-Wide Data Management	810,576	875,508	946,530	946,530	8.1%
Disbursements	1,483,729	1,491,947	1,476,311	1,476,311	(1.0%)
Employee Benefits	1,618,664	1,769,190	1,849,423	1,849,423	4.5%
Employment Services	1,283,220	1,096,175	988,304	988,304	(9.8%)
Equality Assurance	1,117,038	1,166,819	1,100,299	1,100,299	(5.7%)
Facilities Management	12,464,107	12,443,872	12,144,938	11,495,782	(7.6%)
Financial Management	4,922,409	6,209,709	5,952,904	6,241,572	0.5%
Financial Reporting	1,288,771	1,681,124	1,550,911	1,550,911	(7.7%)
Fleet & Equipment Services	14,327,645	15,224,756	15,302,059	14,808,271	(2.7%)
Health and Safety	3,583,640	3,357,002	3,329,020	3,235,334	(3.6%)
Initiate and Facilitate Public Facilities and Spaces*	N/A	N/A	N/A	N/A	
Materials Management	1,431,497	1,565,335	1,553,769	1,494,763	(4.5%)
Netwk/Communication Svcs	7,918,930	5,917,333	5,548,832	4,935,561	(16.6%)
Plan, Design and Construct Public Facilities and Infrastructure	30,889,846	34,433,049	31,763,219	28,991,588	(15.8%)
Purchasing	1,123,538	1,362,816	1,373,180	1,214,990	(10.8%)
Tech Customer Support	6,995,554	8,405,943	9,113,521	8,742,602	4.0%
Tech Solutions Consulting	677,404	600,890	595,616	595,616	(0.9%)
Tech Strategic Planning	318,210	276,377	575,943	575,943	108.4%
Training and Development	242,295	284,143	295,221	262,521	(7.6%)
Strategic Support	20,527,657	19,947,790	18,458,054	17,012,974	(14.7%)
Total Strategic Support CSA	\$114,727,664	\$120,124,471	\$115,994,244	\$109,595,485	(8.8%)
MAYOR, CITY COUNCIL AND APPOINTEES	\$ 29,990,917	\$ 33,023,766	\$ 33,445,942	\$ 32,676,304	(1.1%)
Other Programs					
City-Wide Expenses	\$ 40,306,883	\$ 40,286,399	\$ 40,713,975	\$ 47,048,450	16.8%
General Fund Capital, Transfers and Reserves	9,342,775	94,217,337	29,387,768	68,431,659	(27.4%)
Subtotal	\$ 49,649,658	\$ 134,503,736	\$ 70,101,743	\$ 115,480,109	(14.1%)
Total Strategic Support	\$194,368,239	\$287,651,973	\$219,541,929	\$257,751,898	(10.4%)
Authorized Positions**	1,211.13	1,183.57	1,109.92	1,054.33	(10.9%)

* The San José Redevelopment Agency (SJRA) Core Service budget is not part of the City's Operating Budget. For display purposes only, however, SJRA budget information can be found in the Core Service section of this document.

** Authorized positions only include SJRA positions that are funded in the City's Operating Budget. For display purposes only, total SJRA position information can be found in the Core Services section of this document.

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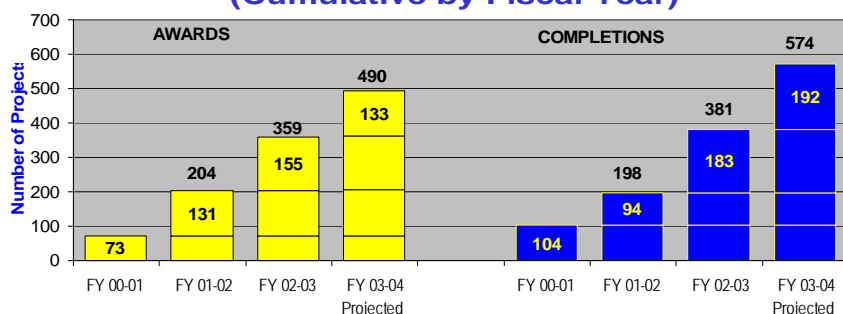
Strategic Support

FIVE-YEAR BUSINESS PLAN

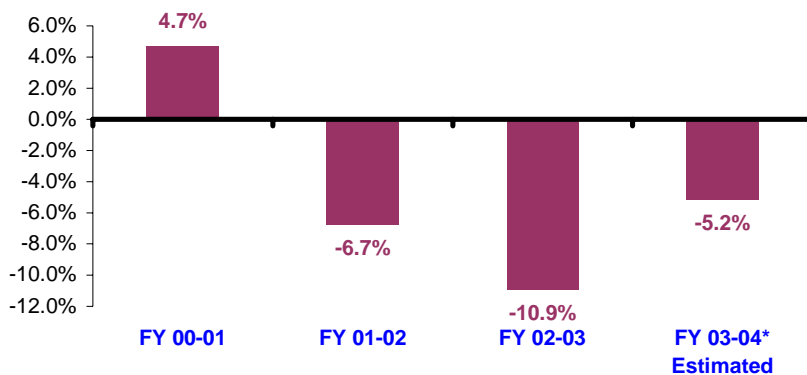
Current Position *How are we doing now?*

- Although recruitment and hiring-related activities have declined significantly over the past three years, non-recruitment transactions necessary to maintain the City organization continue at a relatively high level.
- The number of employee worker's compensation claims continues to decline as a result of working collaboratively with departments to prevent accidents.
- The public space inventory has grown by 7.4% in the past 3 years while facility management and maintenance resources have decreased by 8.9%.
- The workload of the City's Information Technology resources continues to expand while staffing levels to support the workload continue to decrease.
- Even with the continuing economic downturn, the City's Capital Improvement Program (CIP) performance remains strong. Of the more than 580 projects included in the 2004-08 CIP, 384 were active for 2003-2004, with 333 of these projects completed or on schedule.
- To date the organization has managed to maintain a very favorable bond rating in spite of the economic downturn and has allowed the continued financing of Capital Projects at the lowest possible costs.

5-Year CIP **Contract Awards and Completions** **(Cumulative by Fiscal Year)**



% Change In Number of Workers' Compensation Claims Per 100 FTE's



Selected Community Indicators

What external conditions influence our strategies?

- **2003 City of San José Community Survey**
 - 78% of the public were very satisfied or somewhat satisfied with their experience with City of San José departments and employees; 73% were very satisfied or somewhat satisfied with the overall quality of services provided by City of San José.
 - 64% of the public rated condition of public facilities as very good to excellent. As managers of such facilities this CSA uses the public opinion information to develop priorities and strategies and address concerns.
 - 20% of the residents say the City is good at managing City government finances.
- **2002 Employee Survey** – found that 87% of employees who responded, agreed or strongly agreed that the City of San José is a good employer. The next Employee Survey is scheduled for fall 2004.
- **General obligation bond ratings** – Aa1 (Moody's) and AA+ (Standard & Poor's and Fitch)
- **2003 Finance and Technology Customer Survey** – found that 84% of City employees surveyed had the technology they needed to meet their service delivery needs.
- **Online Capability** – As supported by the City's own experience with San José Permits Online, the use of e-Government services are becoming increasingly popular. An estimated 74.9% of the U.S. population living in households equipped with a fixed-line phone had Internet access, up from 66% in February 2003 (based on a Feb 2004 telephone survey by Nielsen/Net Ratings).

Trends / Issues / Opportunities

What developments require our response?

- Projections indicate a continued reduction in General Fund and Capital resources due to the economic downturn and reduced resources from the State.
- The organization is faced with negotiating all union labor agreements this year. Every 1% compensation adjustment negotiated with organized labor represents approximately \$6.6 million in additional labor costs.
- Even without any negotiated salary increases for the workforce, the organization is faced with an increase of \$31.8 million, or 6.4% of base budget labor costs in 2004 -2005 due to increased costs in retirement and fringe benefits (not including workers compensation).
- The current economic conditions have increased the city's challenge to employ and adequately develop staff. The challenge presently faced by the CSA is to develop a work environment that will make the City an employer of choice. Focusing on providing a rewarding and satisfying workplace will help maximize the level of commitment, engagement and support of the remaining workforce.
- Over the next 3 years the City CIP effort will further increase the public space inventory by an additional 32%.
- The New City Hall will add approximately 530,000 square feet of public space to the facility asset inventory. In addition the facility will be "state of the art" in design and functionality mandating a new level of maintenance and support capability.
- The CIP does not address all infrastructure needs, and there continues to be a backlog of deferred maintenance in key facilities not addressed by the CIP. To that point the most recent facility condition assessment survey indicates that only 32% of our public facility inventory has a condition rating of 4 or better on a scale of 1 to 5.
- The CSA is engaged in establishing itself as the central manager of vehicle utilization and replacement. The challenge will be to establish and implement strategic replacement programs and a utilization plan that does not adversely affect the ability of the user departments to deliver services.

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FIVE-YEAR BUSINESS PLAN

Trends / Issues / Opportunities

What developments require our response? (Cont'd.)

- The CSA is in the process of establishing itself as the central provider and manager of the City's voice and data network services. The challenge will be to transition to this service delivery model in an environment where individual departments have had sole responsibility for some of these same services in the past.
- Wireless technology is entering the mainstream. The New City Hall offers an opportunity for the City to develop a strategy for the deployment of wireless technology that benefits City facilities as well as City residents and businesses.
- It is critical that the City protects existing revenue streams and pursues opportunities for new revenue due to a climate of uncertainty with regard to budgetary actions by other governmental jurisdictions.
- The City must maintain the best possible bond ratings in the current economic environment in order to continue financing capital projects at the lowest possible cost.
- The organization is faced with developing and implementing an interim space programming and financing plan associated with the New City Hall project. Current economic conditions led to a General Fund budget shortfall of \$69.8 million for 2004-2005 along with considerable reduction in the value of the assets to be used to finance the existing city hall rehabilitation. An interim space programming plan that accounts for current economic conditions, meets the space needs of the organization and eliminates the loss of city assets at minimal value is required.

Policy Framework

What policies guide our strategy?

- Council Priorities
- Strong Neighborhoods Initiative Priorities
- City Master Plans
- CSA Partner Business Plans
- Economic Development Strategy
- CSA Information Technology Tactical Plans
- City Policies and Operational Standard Operating Procedures

Key Strategic Goals & Objectives

Where are we going?

To ensure the most effective delivery of services, the consolidated Strategic Support CSA will cultivate partnerships as an integral part of providing core support functions. Strategic affiliations provide the facilities and the services needed by the customers and the organization that might not otherwise be delivered independently.

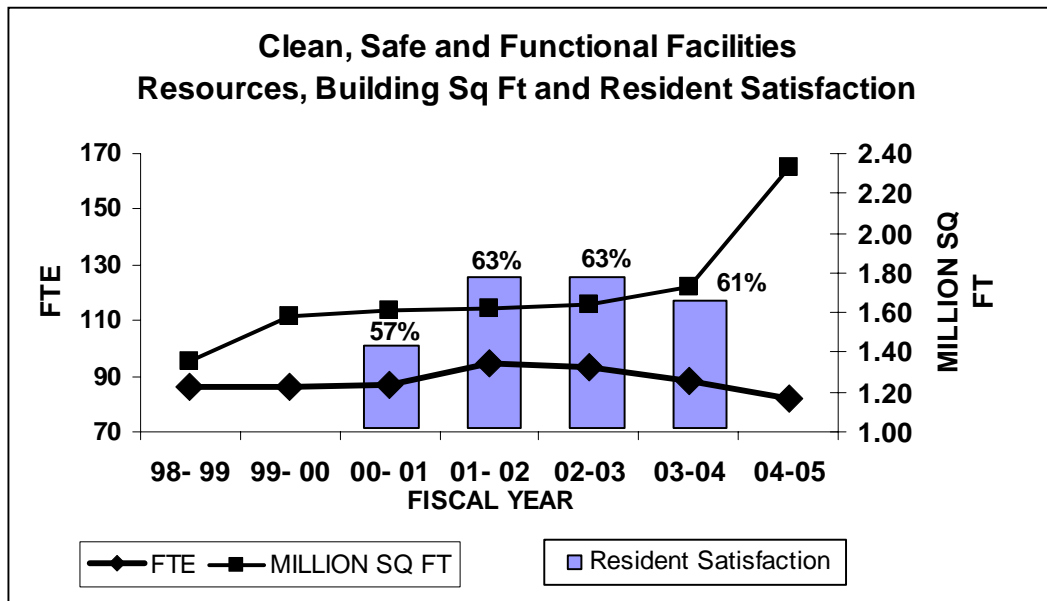
Outcome 1: A High Performing Workforce that is Committed to Exceeding Customer Expectations

- **Support the Workforce** – One outcome of the CSA is a high performing workforce that is committed to exceeding customer expectations. Strategic goals within this outcome include attracting and retaining qualified employees, developing supervisors and managers, and promoting a safe and healthy work environment. The current budget environment dictates that the CSA refocus its strategic efforts to provide employees with the resources and the working environment conducive to being successful in the provision of services.

Key Strategic Goals & Objectives *Where are we going? (Cont'd.)*

Outcome 2: Safe and Functional Public Infrastructure, Facilities, Materials and Equipment

- **Provide Safe and Functional Public Infrastructure and Equipment/Materials** – This CSA must continue to provide well-constructed and maintained facilities and equipment that meet both customer and City staff needs. Due to the budget challenge, the CIP project delivery schedule must be scrutinized and opportunities to minimize operations and maintenance must be recommended for implementation, while maintaining the level of credibility that the program has established by delivering projects on-time and on-budget. The needs of facilities that are not addressed by the CIP plus the new needs imposed by the CIP building program need to be recognized. Current resources must be leveraged to maximize effectiveness, efficiency, and ensure that the health and safety concerns of the facility users are not compromised. Finally, the CSA must identify the optimum fleet size given utilization levels and availability requirements and procure commodities, services and materials in the most cost effective manner.



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FIVE-YEAR BUSINESS PLAN

Key Strategic Goals & Objectives *Where are we going? (Cont'd.)*

Outcome 3: Effective Use of State-Of-The-Art Technology

- **Enable Users** – Effectively deploy and use state-of-the-art technology and actively encourage other CSAs to use these tools for the greater good of the entire organization.
- **Standardize and Consolidate** – Identify opportunities to merge databases, consolidate resources, and encourage the use of City technology standards that can be supported by leveraging existing resources.
- **Network Availability** – Maintain availability and support for network/telecommunication operations to ensure availability of systems to employees and customers by streamlining operations if possible.
- **New City Hall** – Completion of the New City Hall represents an unprecedented level of investment in technology. This facility will support “One Voice”, an effort currently underway to transform the City into an organization which operates under a seamless customer-centric service delivery model. The City must take advantage of the opportunity provided by the New City Hall to establish the appropriate infrastructure foundation needed for the implementation of e-Government initiatives to provide better, faster and more efficient customer interaction with the City.

Outcome 4: Sound Fiscal Management that Facilitates Meeting the Needs of the Community

- **Maintain strength of the City’s financial position** – This CSA must continue to ensure that the City’s financial resources are protected and available to address short and long-term needs of the community. At a minimum, the following objectives must be maintained in support of this goal: proactively pursuing revenues, maintaining excellent bond ratings to facilitate financing for the Capital Improvement Program at the lowest possible cost, by maintaining adequate insurance at the lowest cost and best coverage possible and providing accurate and timely financial reports.

Overview

Strategic support functions are critical within any organization. Basic core services must continue at an effective level and with flexibility that allows for expansion and enhancement in a timely manner upon economic recovery. The extended budget challenges created by the current economic environment has resulted in a significant reduction for this CSA. Such reductions challenge the delivery of core services that this CSA is charged with providing to the organization. The Strategic Support CSA is committed to continue to deliver basic services that support the organization. To accomplish this the CSA will:

- 1) assign priority to key strategic support core services;*
- 2) collaborate with line CSA's to safeguard strategic support core services;*
- 3) utilize alternative funding sources where practical; and,*
- 4) strategically implement service reduction cuts that account for and assess the impact to customers and employees.*

Key Investments & Objectives *How will we accomplish our goals?*

Investment strategies are briefly outlined below and linked to CSA Outcomes and performance goals for 2004-2005.

Outcome 1: A High Performing Workforce that is Committed to Exceeding Customer Expectations

- **Training and Development** – Focus remaining training resources on establishing a mentoring program and expanded leadership academy while maintaining the existing Leadership and Supervision Academy and New Employee Orientation Program.
- **Workforce Reductions** – Administer employee reassignment, bumping, placement and layoff processes fairly and efficiently to facilitate necessary organizational downsizing.
- **Employment Services** – Ensure that recruitment and hiring processes needed for critical vacancies are completed timely and effectively.
- **Health and Safety** – Effective implementation of the injury prevention and claim management program to continue the current trend of injury/claim reductions.

Outcome 2: Safe and Functional Public Infrastructure, Facilities, Materials and Equipment

- **Fleet Management** – Fleet management will implement utilization standards that will result in a reduced fleet size and a strategic replacement program. Eliminating vehicles with minimal utilization and maximizing the sharing of fleet resources will be pursued. Service priority will be given to the public safety fleet and critical service equipment.
- **Facility Management** – Reduced resources in combination with an increasing maintenance inventory will result in a significant reduction in timely service delivery. Facilities Management will reduce service levels with a focus on addressing health and safety concerns.
- **Material and Procurements** – The CSA will continue to implement cost reduction strategies including maximizing the use of the competitive bidding process, consolidation of service delivery contracts and the utilization of cooperative procurement contracts. In the interest of aligning with the City's Economic Development Strategy, the CSA will continue outreach efforts to local, small and minority businesses.

Key Investments & Objectives *How will we accomplish our goals? (Cont'd.)*

Outcome 2: Safe and Functional Public Infrastructure, Facilities, Materials and Equipment (Cont'd.)

- **New City Hall** – The Operations and Maintenance Plan for the New City Hall will leverage existing City resources to the maximum extent possible. Additional resources will be required to align the Operations and Maintenance Plan with the mission and functionality of the facility. The CSA will undertake extensive planning and coordination efforts towards the relocation of staff and programs to the New City Hall in order to minimize the disruption of service to the community and ensure alignment with the facility construction schedule.
- **Capital Project Delivery** – The CSA will continue to lead the effort to coordinate, manage and account for the delivery of capital projects. However, due to the reduced ability of the organization to maintain and operate some of the newly constructed or improved facilities, the CSA will strategically align project delivery with projected operations and maintenance expenditures. This outcome will seek ways of maximizing the use of existing staff resources to deliver capital projects as a means of mitigating the impact of staff reductions.
- **Equality Assurance** – Implement labor compliance to ensure monitoring of every contract with wage requirements to ensure that proper compensation and benefits are paid to workers performing services on City and RDA contracts. Reduced resources combined with an increased number of contracts may lead to service level impacts, such as increased cycle times.

Outcome 3: Effective Use of State-Of-The-Art Technology

- **Technology Services** – Implement consolidated information technology operations and support for the New City Hall.
- **Cell Phone Program** – Reduce city-wide cellular phone costs by optimizing call plans and purchasing under the Western States Consortium Agreement. Investigate and pursue other cost reduction opportunities.
- **Network Availability** – Reduce the CSA's budget for supplies, maintenance and support agreements by recognizing efficiencies and balancing the risk to network/system availability with service level impacts to customers.
- **Focus on Core Services** – Mitigate impact of staffing reductions by automating server back-up and recovery procedures and by providing onsite support to network operations during regular business hours only. Focus remaining resources on support for enterprise-wide systems.

Outcome 4: Sound Fiscal Management that Facilitates Meeting the Needs of the Community

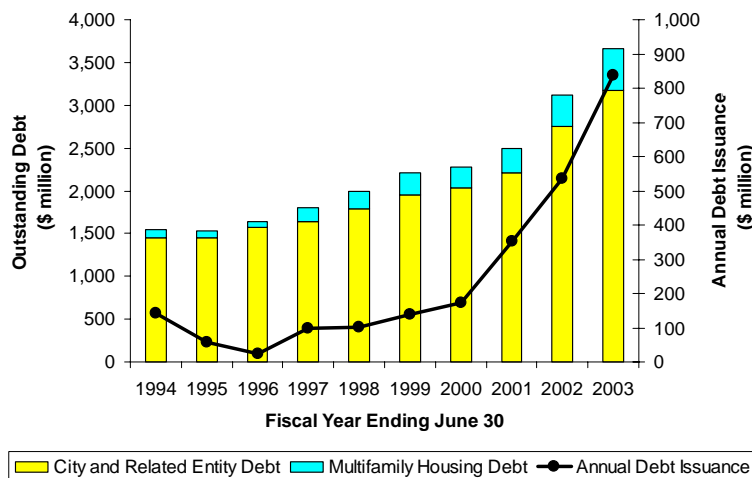
- **Revenue Management** – Proactively and aggressively pursue protecting existing city-wide revenue streams along with administering and reviewing opportunities for new revenue streams under a climate of continued economic uncertainty. Strategies include proactively pursuing the collection of delinquent accounts, working collaboratively with other City departments to assure the highest level of revenue collection is achieved, conducting revenue compliance reviews, completing a two-year special business tax compliance project (Business Information Management System [BIMS] leads) and implementing a business tax amnesty program.
- **Debt Management** – Maintain the City's excellent bond ratings in spite of the current economic downturn in order to continue financing Capital Projects as the lowest possible cost.

Key Investments & Objectives *How will we accomplish our goals? (Cont'd.)*

Outcome 4: Sound Fiscal Management that Facilitates Meeting the Needs of the Community (Cont'd.)

- **Risk Management** – Maintain adequate insurance coverage by monitoring the insurance market and assessing the City's risk exposure to ensure the lowest cost and best coverage economically possible.
- **Financial Reporting** – Provide key critical reporting needs for Council and management decision-making. The main focus will be to provide timely reporting on the City's monthly financial reports and the Comprehensive Annual Financial Report (CAFR).

Ten-Year History of Debt Portfolio and Debt Issuance
Fiscal Year 1993-94 to Fiscal Year 2002-03



City Service Area
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PERFORMANCE BY OUTCOME

Outcome 1: A High Performing Workforce that is Committed to Exceeding Customer Expectations

Workers' Compensation Claims Decrease

The volume of workers' compensation claims decreased by 3.4% in 2003-2004, from 1,414 to 1,366. Costs, however, have increased 2.3% from \$19.33 million to \$19.77 million. This relatively small increase actually reflects significant progress in controlling costs by controlling claims. Prior to this reporting period workers' compensation costs increased at a double-digit percentage rate, ranging from 10.7% to 24%. With little control over accelerating medical costs, utilization and higher benefits mandated by workers' compensation laws, the City's focus continues to be developing work environments and a management and staff mindset that is focused on accident and injury prevention. The downward trend in claims is important since approximately 80% of 2003-2004 claim costs were related to prior years' claims. The strategy on reducing worker compensation costs mandates that the City continue to reduce claims while effectively mitigating past claims and costs.

Health and Safety will continue to emphasize effective planning, efficient use of resources, and collaboration from all levels of the organization to meet the challenges of ensuring a safe workplace, healthy employees, and containment of costs.

Organizational Downsizing and Employee Placements

The CSA has the responsibility of administering the City's layoff and reassignment process that is a necessary by product of organizational downsizing. In 2003-2004, all 73 employees who were affected by position cuts were able to be placed in other City jobs, a process that entailed six months and included a team of 9 staff members. In 2004-2005, the number of employees impacted is expected to increase such that extensive use of seniority lists and bumping procedures will be necessary. These services will be provided largely by a staff that has itself been reduced by 30% over the last three years.

Performance Measure Revisions

CSA measures have been revised this year to provide a better way of showing the overall effectiveness and efficiency of this outcome. New measures have been added which are in alignment with comparative data from the International City/County Management Association (ICMA). In addition existing measures from the bi-annual employee survey have been kept as important gauges of employee satisfaction and commitment within the context of their jobs and the City as a whole.

City Service Area
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PERFORMANCE BY OUTCOME

Outcome 1: A High Performing Workforce that is Committed to Exceeding Customer Expectations (Cont'd)

Outcome 1: A High-Performing Workforce that is Committed to Exceeding Customer Expectations

5 Year Strategic Goals	CSA Performance Measures	2005-2009 5-yr Goal	2003-2004 1-yr Target	2003-2004 Estimate	2004-2005 1-yr Target
A. Optimize the attraction and retention of qualified employees to meet the service delivery needs of the organization	1. Turnover Rates: Total, Non-Public Safety, Public Safety, and Information Technology employees	*	N/A*	N/A*	6%
	2. % of hiring managers rating probationary employees as meets standard or above	*	N/A*	N/A*	TBD*
B. Align systems that develop and maintain a high performing workforce	1. % of employees who agree or strongly agree they clearly understand the performance expectations of their job	82%	80%	N/A*	80%
	2. % of grievances resolved before passing from management control	*	N/A*	N/A*	TBD*
C. Develop and encourage supervisors and managers that support a high-performing workforce	1. % of employees who agree or strongly agree they receive timely, constructive feedback on performance and they are provided opportunities to make decisions regarding their job	65% / 68%	53% / 65%	N/A**	53% / 65%
	2. % of employee performance appraisals completed on schedule	*	N/A*	N/A*	TBD*
D. Foster a shared vision with employee representatives about the characteristics of a high-performing workforce	1. % of employees who agree or strongly agree they have the skills and knowledge they need to do jobs or there is a plan to obtain them	88%	86%	N/A**	86%
	2. % of the public having contact with City employees who are satisfied or very satisfied with the customer service based on courtesy, timeliness, and competence	85%	81%	81% / 76% / 77%	81%
	3. % of employees who agree or strongly agree they understand the City's vision and how their work contributes to a core service	80% / 82%	76% / 79%	N/A**	76% / 79%
	4. % of employees who are satisfied or very satisfied with their job	85%	81%	N/A**	81%
	5. % of employees who agree or strongly agree the City is a good employer	85%	81%	N/A**	81%
	6. % of employees who rate the quality, timeliness, and overall satisfaction with Employee Services as excellent or good	*	N/A*	N/A*	TBD*
E. Provide the necessary and required safety and health services that ensure employees health, safety and well-being	1. Number of Workers Compensation claims per 100 FTEs	19	N/A*	18	17.5

* New measure: baseline data to be collected in 2004-2005

**Data for this measure comes from the Employee Survey. The next employee Survey is scheduled for Fall 2004

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PERFORMANCE BY OUTCOME

Outcome 2: Safe and Functional Public Infrastructure, Facilities, Materials and Equipment

Safety First

A common theme in several of the core services of this outcome is the focus on safety first. Health and safety related building issues and public safety fleet availability will continue to be the first priority of this outcome and the core services will strive to ensure that performance measures related to safety will be maintained at 100%.

Maintaining the Building Inventory

The addition of new or rehabilitated building facilities through the City's aggressive capital program has provided for new building space and also served to reduce deferred maintenance needs throughout the existing building facility inventory. The most recent General Services assessment of facilities "condition" indicate that 32% of the facility inventory is rated at "good" to "excellent" condition. This is a significant increase over the target which was set based upon the diminishing conditions of City facilities before the

"Decade of Investment" began to have an impact. Continued improvement is expected even though the CIP may be slowing down to allow for a gradual transition of new operational services.

In the last 3 years the public building inventory has grown to the current total of 1.73 million square feet and the New City Hall will grow the inventory by an additional 30%. At the same time, operating budget reductions over the past two years have reduced the resources used to maintain and support these key infrastructure investments. Failure to keep pace with the maintenance needs of the growing inventory will negate the successes of the current Capital Program and replicate and expedite the need for a large capital reinvestment. With this in mind, this CSA will focus on strategically using current limited resources, asking clients to work on the delivery of high priority projects and continuing to champion the identification and mitigation of the O&M costs associated with the Capital Program.

5 Year Strategic Goals		2005-2009 5-yr Goal	2003-2004 1-yr Target	2003-2004 Estimate	2004-2005 1-yr Target
A. Provide well-maintained facilities that meet customer needs	1. % of facilities that have a good or excellent rating based on staff condition assessment	75%	12%	32%	40%
	2. % of customers who rate facility services as good or excellent based on timeliness of response and quality of work	90%	60%	85%	80%
	3. % of facility health & safety concerns mitigated within 24 hours	100%	100%	100%	100%
B. Provide and maintain equipment that meets customer needs	1. % of equipment that is available for use when needed:				
	• Emergency Vehicles	100%	100%	100%	100%
	• General Fleet	93%	96%	91%	90%
	2. % of fleet in compliance with replacement criteria:				
	• Emergency Vehicles	100%	100%	100%	100%
	• General Fleet	69%	66%	86%	83%
	3. % of service work orders completed within 24 hours:				
	• Emergency Vehicles	58%	67%	62%	58%
	• General Fleet	65%	69%	68%	59%

Outcome 2: Safe and Functional Public Infrastructure, Facilities, Materials and Equipment (Cont'd.)

Fleet Availability

Fleet availability will be a primary focus as the challenge of identifying an optimum fleet size and implementing modified replacement criteria are addressed.

As the City continues to focus on public health and safety as a first priority, over 80% of fleet services will be assigned to support public health and safety. Fleet Services will continue to meet the goal of 100% fleet availability for public safety in spite of contractual services and in-house staffing reductions. This will be accomplished by shifting resources from general fleet to public safety fleet support. This will increase cycle times for general fleet preventive maintenance and repairs and impact both work orders completed within 24 hours and equipment availability. This impact may be somewhat offset by a decrease in the fleet size.

“Decade of Investment”

Despite the continuing economic downturn, the CIP

remains strong with a 2005-2009 budget of approximately \$3.5 billion. Of the more than 622 projects included in the 2004-2008 CIP, 456 are currently active for 2003-2004, with 404 of these projects completed or on schedule. In addition, a total of 145 construction contracts were awarded during 2003-2004 and 196 projects were completed. This results in a projected total of 577 completed projects that citizens of San José would have seen in their communities from July 2000 through June 2004 and well over \$2 billion in capital program dollars being put into our local economy.

However, the 2004-2005 General Fund shortfall will have significant impacts on the CIP. General Fund tax revenues continue to decline mandating that the CSA align project delivery with our ability to meet projected Operations and Maintenance (O&M) expenditures. Some projects with large O&M costs to the General Fund have been deferred to later years.

5 Year Strategic Goals	CSA Performance Measures	2005-2009 5-yr Goal	2003-2004 1-yr Target	2003-2004 Estimate	2004-2005 1-yr Target
C. City-wide delivery of quality CIP projects on-time and on-budget	1. % of CIP projects that are delivered within 2 months of approved baseline schedule	TBD	85%	75% 144/192	85%
	2. % of CIP projects that are completed within the approved baseline budget	TBD	90%	TBD	90%
	3. % of project delivery costs (exclusive of citywide overhead) compared to total construction costs for completed projects with construction costs:				
	less than \$500,000-	TBD	TBD	TBD	31%
	between \$500,000 and \$3M-	TBD	TBD	TBD	23%
	greater than \$3M-	TBD	TBD	TBD	15%
	4. % of operations and maintenance divisions rating new or rehabilitated capital facilities as being functional and sustainable after the first year of commissioning or use	TBD	80%	TBD	80%
	5. % of customers rating new or rehabilitated CIP projects as meeting established goals (4 or better based on a scale of 1-5)				
	Public-	TBD	85%	TBD	85%
	City Staff-	TBD	85%	TBD	85%

City Service Area
Strategic Support
PERFORMANCE BY OUTCOME

Outcome 2: Safe and Functional Public Infrastructure, Facilities, Materials and Equipment (Cont'd.)

New capital project performance measures were established for the city-wide capital program starting in 2003-2004. Targets for most of the measures were developed as part of the Quarterly Status Report on the City-wide Capital Improvement Program. The city-wide capital program results are reported here, as well as this CSA's own results. The established performance targets for the city-wide capital program have been used to set each individual CSA's targets until such time as the actual performance data support changing them to reflect each CSA's ability to achieve their performance goals.

The project delivery cost measure reports the project delivery cost as a percentage of construction costs, as opposed to total project costs. A comparison to

construction costs is used to enable benchmarking with other jurisdictions and the private sector. The project delivery cost targets have been set on a sliding scale for projects based construction costs.

The other one-year targets for 2004-2005 remain the same as 2003-2004, and five-year targets have not been established due to limited historical data. The on-time performance data for 2003-2004 is 75% compared to a target of 85%. Regulatory agency agreements and permits, environmental issues, extended community involvement, contractor issues, land acquisition, or budgetary issues are the primary causes for delays in projects. Staff is aggressively seeking ways to improve performance.

5 Year Strategic Goals	CSA Performance Measures	2005-2009 5-yr Goal	2003-2004 1-yr Target	2003-2004 Estimate	2004-2005 1-yr Target
D. Strategic Support CSA delivers quality CIP projects on-time and on-budget	1. % of CIP projects that are delivered within 2 months of approved baseline schedule	TBD	85%	100% 5/5	85%
	2. % of CIP projects that are completed within the approved baseline budget	TBD	90%	TBD	90%
	3. % of project delivery costs (exclusive of citywide overhead) compared to total construction costs for completed projects with construction costs:				
	less than \$500,000-	TBD	TBD	TBD	31%
	between \$500,000 and \$3M-	TBD	TBD	TBD	23%
	greater than \$3M-	TBD	TBD	TBD	15%
	4. % of operations and maintenance divisions rating new or rehabilitated capital facilities as being functional and sustainable after the first year of commissioning or use	TBD	80%	TBD	80%
	5. % of customers rating new or rehabilitated CIP projects as meeting established goals (4 or better based on a scale of 1-5)				
	Public-	TBD	85%	TBD	85%
	City Staff-	TBD	85%	TBD	85%

Outcome 3: Effective Use of State-Of-The-Art Technology

New City Hall a Priority

Faced with limited resources, the priority must be on planning and implementing the new technology for the New City Hall (NCH). Integrating, consolidating and leveraging existing information technology resources are key strategic outcomes of the NCH technology planning effort. These outcomes align with the Economic Development Strategy goal to “Make San José a Tech Savvy City; Lead the Way in Using Technology to Improve Daily Life”, and support the customer service delivery model and associated organizational transformation envisioned for the NCH.

Impact of Network Availability

For the first half of 2003-2004, network availability exceeded the current target of 98%. Maintaining availability of core information systems is a mission critical function of this CSA outcome. For example, the difference between availability at 98.63% and 99.99% represents approximately 39,000 quarterly hours of time in which staff was unable to access the City’s network, resulting in no use of systems like e-mail, intranet, MS Outlook and other applications required for conducting business. Demands on technology infrastructure at the New City Hall will require 100% network availability as phone and data will be merged onto a single network.

5-Year Strategic Goals	CSA Performance Measures	2005-2009 5-yr Goal	2003-2004 1-yr Target	2003-2004 Estimate	2004-2005 1-yr Target
A. Deploy technology resources effectively	1. % of communication services available during business hours:				
	- Central Network	100%	98%	100%	98%
	- Telephones	100%	100%	100%	100%
	- Mobile Radios (24/7)	100%	98%	100%	98%
	- Combined Availability	100%	99%	100%	98%
	2. % of time system is available during normal business hours:				
	- E-mail	100%	100%	99%	100%
	- Financial Management System	99%	99%	97%	99%
	- Human Resources/Payroll System	99%	99%	99%	99%
	- Call Center System	100%	100%	100%	100%
	- Combined availability	100%	99%	98%	99%
	3. % of managers who say employees have the technology tools they need to support their service delivery functions	90%	80%	84%	85%
	4. % of employees who say they have the technology tools they need to support their service delivery functions	90%	80%	77%	80%

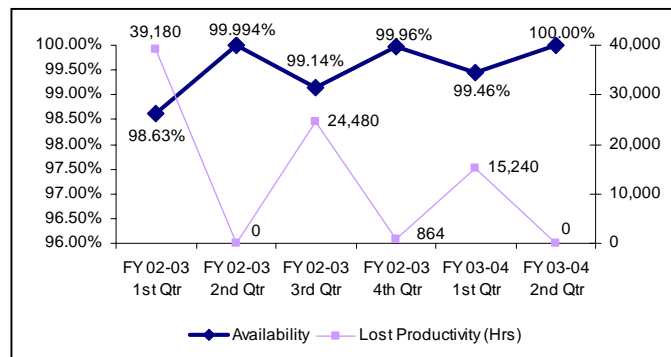
City Service Area
Strategic Support
PERFORMANCE BY OUTCOME

Outcome 3: Effective Use of State-Of-The-Art Technology (Cont'd.)

Impact of Network Availability (Cont'd.)

Network availability has been affected by recent budget reductions. Lower parts inventories have resulted in longer times to restore the network. In addition, the existing network is near the end of its life cycle, impacting reliability and response time while customer demands on the system are continually increasing. Lack of timely implementation of anti-virus software has resulted in increased network downtime.

“Network availability target of 98% was consistently exceeded; however, the new City Enterprise-wide infrastructure will require essentially 100% availability.”



City Service Area Strategic Support *PERFORMANCE BY OUTCOME*

Outcome 4: Sound Fiscal Management that Facilitates Meeting the Needs of the Community

Bond Rating & Debt Issuance

By maintaining the City's excellent credit ratings, the City continues to provide essential public facilities to the community with low financing costs, saving the City millions of dollars. The City has been making significant capital investments in public facilities such as parks, libraries, public safety and its New City Hall. These projects are consistent with implementation of the City's "*Decade of Investment*," through a \$4.05 billion 2004-2008 Capital Improvement Program, of which approximately 65% is to be financed with bonds. This includes \$411.73 million in General Obligation Bonds not yet issued, but authorized by the voters of the City of San José for parks, libraries and public safety facilities. There has been a dramatic growth in the size of the City's debt portfolio along with an increase in issuance activity in each of the last ten fiscal years. As of June 30, 2003, the City (including related entities and multi-family housing debt [conduit debt]) had over \$3.6 billion in debt outstanding.

It is critical for the City to maintain its excellent bond ratings, which is a key factor in determining the City's borrowing rate (the City's cost of funds). Because the City has exercised sound fiscal management, even during the recent time of economic uncertainty, San José's bond ratings are the highest for cities its size in California. Excellent credit ratings (Aa1 [Moody's] and AA+ [Standard & Poor's and Fitch]) have already saved the taxpayers over \$2.5 million over the life of the general obligation bonds issued to date, and are estimated to save the taxpayers an additional \$5.6 million over the life of the City's general obligation bonds authorized but not yet issued.

It should also be noted that very recently another large California city (San Diego) had its ratings downgraded due to underfunding of pension costs, errors in its Comprehensive Annual Financial Report, and relatively low reserves. Due to this downgrade, that city will be paying more in interest costs on its bonds. The chart below demonstrates the strong credit characteristics of San José as compared to the medians for all California cities, as reported by Moody's Investors Service. San José generally compares favorably to all California cities medians, and compares more favorable when compared with other large California cities.

Comparison of San José Financial Position to
All California Cities

	Moody's Median All Issuers	City of San Jose
Total Gen. Fund Balance as % of Revenues (FY 2001-02)	45.9%	43.4%
Direct Net Debt as % of Full Value (FY 2001-02) ¹	0.3%	0.5%
Per Capita Income (CY 1999)	\$ 19,778	\$ 26,697
Median Family Income (CY 1999)	\$ 50,247	\$ 74,813
Assessed Value Avg. Ann. Growth FY 99-03	8.1%	10.0%
Taxable Sales Avg. Ann. Growth FY 98-02	5.4%	2.2%

¹ San José debt burden data as of June 30, 2003.

Source: Medians for California Cities: Fiscal 2002, Moody's Investors Service, January 2004.

Financial Management System

With the City's current fiscal realities, it was decided in 2001-2002 to explore the use of the City's current Financial Management System (FMS) to meet the managerial reporting needs rather than pursue a more costly replacement alternative. A steering committee has been charged with developing a low cost upgrade plan for the current FMS as an interim solution since the City's current version was not to be supported after June 2003; this date has since been extended through December 2004. While these efforts will not meet the long-term financial management reporting needs of the City, they are designed to extend the life cycle of FMS at minimal cost while providing some increased reporting capabilities. Replacing the current FMS system will be explored when the general economic situation improves.

Assessing the City's Infrastructure

In 2001-2002, the City successfully implemented the new Governmental Accounting Standards Board Statement 34 (GASB 34) that required new reporting for fixed assets and infrastructure. The City's Comprehensive Annual Financial Report received an unqualified opinion from the outside auditor who did comment that the City needed to improve its tracking and controls over fixed assets. As part of the GASB 34 implementation, a new fixed asset accounting system was acquired, installed and converted in 2002-2003. During 2003-2004, the fixed asset data was verified and updated as necessary. The new system assists staff in recording and tracking fixed assets and infrastructure according to the new guidelines.

City Service Area
Strategic Support
PERFORMANCE BY OUTCOME

Outcome 4: Sound Fiscal Management that Facilitates Meeting the Needs of the Community (Cont'd.)

5-Year Strategic Goals	CSA Performance Measures	2005-2009 5-yr Goal	2003-2004 1-yr Target	2003-2004 Estimate	2004-2005 1-yr Target
A. Maintain City's bond ratings	1. City's bond ratings: (General Obligation Bond Rating) <ul style="list-style-type: none"> • Moody's • Standard & Poor's • Fitch 	Aa1	Aa1	Aa1	Aa1
		AA+	AA+	AA+	AA+
		AA+	AA+	AA+	AA+
B. Improve and protect the financial management system and have it available to address short and long-term needs	1. % of customers rating Finance services as good or better, based on accuracy, timeliness and customer friendly processes	90%	80%	80%	90%
C. Customers have the financial information they need to make informed decisions	1. % of customers who say they have the financial information they need to make informed decisions.	90%	80%	77%	80%

Service Delivery Framework

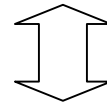
CITY SERVICE AREA
A cross-departmental collection of core services that form one of the City's 7 key "lines of business"

MISSION STATEMENT
Why the CSA exists

Strategic Support CSA

Mission:

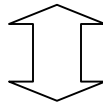
To effectively develop, manage and safeguard the City's fiscal, physical, technological and human resources to enable and enhance the delivery of City services and projects.



CSA OUTCOMES
The high level results of service delivery sought by the CSA partners

Outcomes:

- A High Performing Workforce that is Committed to Exceeding Customer Expectations
- Safe and Functional Public Infrastructure, Facilities, Materials and Equipment
- Effective Use of State-Of-The-Art Technology
- Sound Fiscal Management that Facilitates Meeting the Needs of the Community



PRIMARY PARTNERS
Departments with Core Services that contribute to achievement of CSA Outcomes

CORE SERVICES
Primary deliverables of the organization

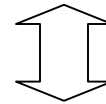
Finance Department

Core Services:

Disbursements

Financial Management

Financial Reporting



Employee Services Department

Core Services:

Employee Benefits

Employment Services

Health and Safety

Training and Development

Service Delivery Framework

Strategic Support CSA (Cont'd.)

PRIMARY PARTNERS (CONT'D.)
Departments with Core Services that
contribute to achievement of CSA
Outcomes

CORE SERVICES (CONT'D.)
Primary deliverables of the organization

Public Works Department

Core Services:

Equality Assurance

Plan, Design and Construct
Public Facilities and
Infrastructure

Public Works Department

Core Services:

Equality Assurance

Plan, Design and Construct
Public Facilities and
Infrastructure

Public Works Department

Core Services:

Equality Assurance

Plan, Design and Construct
Public Facilities and
Infrastructure

Public Works Department

Core Services:

Equality Assurance

Plan, Design and Construct
Public Facilities and
Infrastructure

```
graph TD; RD[Retirement Department] --> CS[Core Services:]; CS --> ARP[Administer Retirement Plans];
```

Retirement Department

Core Services:

Administer Retirement Plans

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graph TD; RD[Retirement Department] --> CS[Core Services:]; CS --> ARP[Administer Retirement Plans];
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Retirement Department

Core Services:

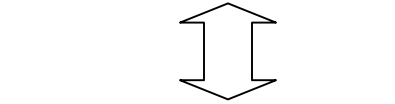
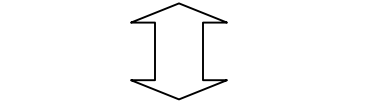
Administer Retirement Plans

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graph TD; RD[Retirement Department] --> CS[Core Services:]; CS --> ARP[Administer Retirement Plans];
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Retirement Department

Core Services:

Administer Retirement Plans



Redevelopment Agency

Core Services:

Initiate and Facilitate Public Facilities and Spaces

Redevelopment Agency

Core Services:

Initiate and Facilitate Public Facilities and Spaces

Redevelopment Agency

Core Services:

Initiate and Facilitate Public Facilities and Spaces

```
graph TD; A[Information Technology Department] --> B[Citywide Data Management]; A --> C[Network and Communication Services]; A --> D[Technology Customer Support]; A --> E[Technology Solutions Consulting]; A --> F[Technology Strategic Planning]
```

The diagram is an organizational chart for the Information Technology Department. At the top is the department name, "Information Technology Department". Below it, a horizontal line separates the department name from a list of five core services. The services are listed in a vertical column, each enclosed in a rounded rectangular box. The services are: "Citywide Data Management", "Network and Communication Services", "Technology Customer Support", "Technology Solutions Consulting", and "Technology Strategic Planning".

Information Technology Department

Core Services:

- Citywide Data Management
- Network and Communication Services
- Technology Customer Support
- Technology Solutions Consulting
- Technology Strategic Planning

```
graph TD; A[Information Technology Department] --> B[Citywide Data Management]; A --> C[Network and Communication Services]; A --> D[Technology Customer Support]; A --> E[Technology Solutions Consulting]; A --> F[Technology Strategic Planning];
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The diagram is an organizational chart for the Information Technology Department. At the top is the department name, "Information Technology Department". Below it, the text "Core Services:" is centered. Five rectangular boxes are arranged vertically, each containing a core service: "Citywide Data Management", "Network and Communication Services", "Technology Customer Support", "Technology Solutions Consulting", and "Technology Strategic Planning".

Information Technology Department

Core Services:

- Citywide Data Management
- Network and Communication Services
- Technology Customer Support
- Technology Solutions Consulting
- Technology Strategic Planning

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Information Technology Department

Core Services:

- Citywide Data Management
- Network and Communication Services
- Technology Customer Support
- Technology Solutions Consulting
- Technology Strategic Planning

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```

The diagram is an organizational chart for the Information Technology Department. At the top is the department name, "Information Technology Department". Below it, the text "Core Services:" is followed by five service areas, each enclosed in a rounded rectangular box. The service areas are: "Citywide Data Management", "Network and Communication Services", "Technology Customer Support", "Technology Solutions Consulting", and "Technology Strategic Planning".

Information Technology Department

Core Services:

- Citywide Data Management
- Network and Communication Services
- Technology Customer Support
- Technology Solutions Consulting
- Technology Strategic Planning

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Information Technology Department

Core Services:

- Citywide Data Management
- Network and Communication Services
- Technology Customer Support
- Technology Solutions Consulting
- Technology Strategic Planning

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Information Technology Department

Core Services:

- Citywide Data Management
- Network and Communication Services
- Technology Customer Support
- Technology Solutions Consulting
- Technology Strategic Planning

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Information Technology Department

Core Services:

- Citywide Data Management
- Network and Communication Services
- Technology Customer Support
- Technology Solutions Consulting
- Technology Strategic Planning

General Services Department

Core Services:

- Facilities Management
- Fleet and Equipment Services
- Materials Management
- Purchasing

General Services Department

Core Services:

- Facilities Management
- Fleet and Equipment Services
- Materials Management
- Purchasing

General Services Department

Core Services:

- Facilities Management
- Fleet and Equipment Services
- Materials Management
- Purchasing

General Services Department

Core Services:

- Facilities Management
- Fleet and Equipment Services
- Materials Management
- Purchasing

General Services Department

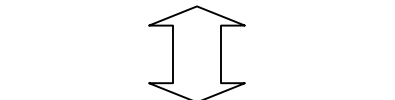
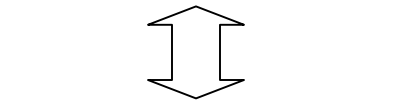
Core Services:

- Facilities Management
- Fleet and Equipment Services
- Materials Management
- Purchasing

General Services Department

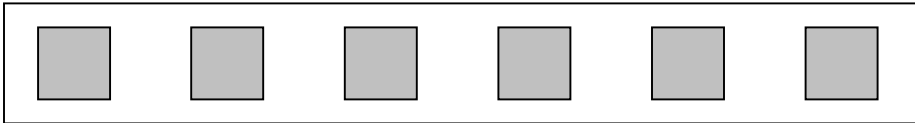
Core Services:

- Facilities Management
- Fleet and Equipment Services
- Materials Management
- Purchasing



OPERATIONAL SERVICES
Elements of Core Services; the “front-line”
of service delivery

STRATEGIC SUPPORT
Organization-wide guidance and support
to enable direct service delivery



Strategic Support CSA

Core Service: Administer Retirement Plans *Retirement Services Department*

Core Service Purpose

Implement policies and procedures to deliver retirement benefits and maintain the retirement plans.

Key Operational Services:

- | | |
|--|---|
| <input type="checkbox"/> Supervise Investment of Plan Assets | <input type="checkbox"/> Provide Retirement Planning & Counseling |
| <input type="checkbox"/> Administer Retirement Benefits | <input type="checkbox"/> Analyze, Develop & Recommend Retirement Policy |

Performance and Resource Overview

The purpose of the “Administer Retirement Plans” core service is twofold. One purpose is to deliver retirement benefits to the retired employees of the City of San José and educate and market the retirement plan to active and future employees. The other purpose is to maintain fiscally sound retirement plans. The Administer Retirement Plans core service supports the Strategic Support CSA outcome of *A High Performing Workforce that is Committed to Exceeding Customer Expectations*. The Retirement Services Department is organized into the following operational services, which are keys to meeting the mission of the core service:

Supervise Investment of Plan Assets

To maintain a fiscally sound plan, Retirement Services staff supervises the investment of assets in the retirement plans. There are two separate funds, one for the Police and Fire Department Retirement Plan (P&F) and the other for the Federated City Employee Retirement System (FCERS). The investment team monitors the external investment managers and ensures that they comply with the Retirement Boards’ investment policies and guidelines. Currently, the investment team oversees \$3.3 billion in assets, including eight real estate properties in six states. Strong relationships are established and maintained between staff and the various investment managers, custodian banks and financial consulting firms in order for staff to effectively administer the retirement plans and report on their performance to the Retirement Boards.

Last year, as of June 30, 2003, the investment program produced a rate of return of 5.4% for P&F and 6.9% for FCERS which is less than the actuarial assumed rate of return of 8% for P&F and 8.25% for FCERS, but higher than the average public fund plan which returned 3.9%. Results were achieved within the policy risk levels for the plans. The priority during the year was to continue to rebalance the portfolio following the completion of an asset liability study and manager structure analysis toward the target allocations for FCERS. The P&F Plan initiates an asset liability study in 2003-2004. Current targets are as follows:

Strategic Support CSA

Core Service: Administer Retirement Plans *Retirement Services Department*

Performance and Resource Overview (Cont'd.)

Supervise Investment of Plan Assets (Cont'd.)

	P&F	FCERS
Domestic Equities	35%	43%
International Equities	15%	15%
International Emerging Equities	5%	0%
Domestic Fixed income	28%	29%
International Fixed	5%	7%
Real Estate	12%	6%

The Department continues to work on improving the investment program. The retirement boards are taking a more active interest in corporate governance and have become members of the Council of Institutional Investors to further this endeavor. Staff estimates it will monitor 100% of the portfolios for compliance with the Retirement Boards' Investment Policy Statement in 2003-2004. For 2004-2005, the target for compliance continues to be 100%.

Provide Retirement Planning and Counseling

The Department provides retirement planning and counseling to active and retired employees. Individual counseling is provided to each employee prior to retirement to ensure that they understand the benefits they are eligible to receive. The Department also conducts educational programs, including brown bag lunches, that address financial and retirement issues for active and retired members of the retirement plans.

In 2004-2005, Retirement Services will continue to offer the 'CHOICES' pre-retirement education program. Active employees within five years of retirement are encouraged to attend a seven-week course geared toward planning and preparing for their retirement future. The series covers a wide variety of topics including retirement benefits, health and dental benefits, financial planning, deferred compensation, health issues, wills, and estate planning.

Historically, Retirement Services has conducted similar series for early and mid-career employees. However, in response to low turnout, the Department conducted customer focus groups at the beginning of 2003-2004 to identify better ways to reach this audience. Through that process, employees indicated that they would be more interested in retirement preparation programs that better fit their schedules and locations within the City. They cited the 7-week, one-evening-per-week format as being a barrier to their ability or willingness to attend so far in advance of retirement.

In 2004-2005, Retirement Services will offer early and mid-career "CHOICES" programs that are conducted at lunchtime and at various locations throughout the City. These programs will be presented at the customers' convenience in formats similar to the already-existing 'Brown Bag' classes. Retirement intends to offer these classes as part of an overall certificate program through which participants can obtain a certificate of achievement upon completing a minimum number of core and elective classes at their leisure.

Strategic Support CSA

Core Service: Administer Retirement Plans *Retirement Services Department*

Performance and Resource Overview (Cont'd.)

Administer Retirement Benefits

The Retirement Services Department administers retirement benefits, including providing retirement checks and direct deposits for retirees, enrolling retirees in the health and dental plans, and accounting for contributions and expenses for the retirement plans.

Additionally, the Department implements Board-approved changes and improvements to the retirement plans. In 2003-2004, the Department implemented a newly agreed upon methodology for distributing payments from the FCERS Supplemental Retirement Benefit Reserve (SRBR). This methodology was identified in a joint effort between City staff, the bargaining units, and retiree representatives and was approved by the FCERS Board and the City Council. The first distribution took place in February 2004.

Furthermore, the Department is involved in identifying and implementing administrative improvements to the plans. In 2003-2004, Retirement Services implemented two technological enhancements that focus on improving administrative efficiency and customer service delivery.

These enhancements include a new document imaging system that allows the Department to convert members' individual paper files to electronic documents through a scanning process. Member files are now available to Retirement staff from their computer workstations. This technology will improve file security and customer service by ensuring that data is securely stored and readily available to staff members with assigned access.

In addition, Retirement Services is creating a new website that allows members to access a variety of information. Members will be able to run retirement benefit estimates on-line and verify current designated beneficiaries. Members will also be able to access retirement benefit handbooks, health and insurance benefit information, retirement applications and forms, training class schedules, and other retirement-related information.

Analyze, Develop and Recommend Retirement Policy

The Retirement Services Department also analyzes, develops and recommends retirement policy for the Boards. Recommendations are made on specific issues, policies and procedures. Each year the Retirement Boards' investment committees prepare a work plan with projects for the year. Projects may include reviewing the asset allocation of the plan, updating the investment policy and determining the added value and risk of a specific investment. In addition, various other projects not related to investments are also scheduled for completion during the year, including the actuarial valuations. For 2003-2004, it is estimated that staff will complete projects in the agreed upon time frame 91% of the time, which is slightly below the target of 97%. In 2004-2005, the target has been revised downward to 93% as a result of a prolonged vacancy in the Deputy Director classification. The Department will continue recruitment activities in 2004-2005 with the goal of filling this position in the first quarter of the year.

Strategic Support CSA






Core Service: Administer Retirement Plans *Retirement Services Department*

Performance and Resource Overview (Cont'd.)

Performance Measure Development

The cost measure has been restated in terms of administrative costs per \$1 million of assets (instead of % of assets) to clarify the comparison of City administration costs to the average cost of other, similar plans. The target remains at plus or minus 10 percent of the average administrative cost per \$1 million of assets for similar retirement plans.

The activity and workload highlights have been clarified to better define the staff work performed at the request of the Boards. Through the Boards' annual workplans, information requests and issues are assigned to staff for research and recommendations. The percentage of these assignments completed on time is also reflected in the cycle time performance measure. In addition, the Boards' Investment Committee establishes an annual workplan for staff projects that will have the greatest impact in achieving investment goals. Examples of such projects include: (1) Hire replacement and additional investment managers; and (2) Evaluate the appropriateness of Hedge Funds for the Police & Fire Retirement Plan. The reported number represents completed assignments.

Administer Retirement Plans Performance Summary	2002-2003 Actual	2003-2004 Target	2003-2004 Estimated	2004-2005 Target
 % of employees that feel that Retirement Services had a positive impact on their ability to make decisions to achieve retirement goals	95%	90%	95%	90%
 % of portfolios analyzed for compliance with investment policy	100%	100%	100%	100%
 Administrative cost of City plans compared to similar plans	(9.2%)	±10%	(11.7%)	±10%
 Information needed by the Boards and members is delivered in the agreed upon time frame	89%	97%	91%	93%
 % of Boards and members that rate department services as very good or excellent based on accuracy and usefulness of work	91%	90%	91%	90%

Strategic Support CSA

Core Service: Administer Retirement Plans *Retirement Services Department*

Performance and Resource Overview (Cont'd.)

Activity & Workload Highlights	2002-2003 Actual	2003-2004 Forecast	2003-2004 Estimated	2004-2005 Forecast
Number of active & retired members surveyed	132	120	150	150
Number of employees reporting a positive impact	121	108	135	135
Number of portfolios	35	35	35	36
Number of portfolios analyzed annually	35	35	35	36
Administrative cost per \$1 million of assets:				
-Combined City Plans	\$4,860	\$5,920	\$5,150	\$5,530
-Average of similar plans	\$5,300	N/A	\$5,830	N/A
Number of Board requests for information/ number delivered on time	152 / 142	182 / 176	206 / 189	196 / 183
Number of Investment Committee workplan projects completed	24	30	25	32

Administer Retirement Plans Resource Summary	2002-2003 Actual 1	2003-2004 Adopted 2	2003-2004 Forecast 3	2004-2005 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	\$ 1,702,934	\$ 2,014,693	\$ 2,076,190	\$ 2,076,190	3.1%
Non-Personal/Equipment	N/A	N/A	N/A	N/A	N/A
Total	\$ 1,702,934	2,014,693	\$ 2,076,190	\$ 2,076,190	3.1%
Authorized Positions	20.10	21.10	21.10	21.10	0.0%

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
NONE			

Strategic Support CSA

Core Service: City-Wide Data Management *Information Technology Department*

Core Service Purpose

Manage the City's data so that critical business processes remain operational.

Key Operational Services:

☐ Desktop Support

☐ Data Production

Performance and Resource Overview

The purpose of the City-Wide Data Management Core Service is to administer critical data systems to ensure the quality and availability of data. This core service contributes to the Strategic Support CSA's outcome: *Effective Use of State-Of-The-Art Technology*.

This core service provides data administration for approximately 30 enterprise databases. Data administration includes monitoring, maintenance, and implementation of patches and upgrades, which improves the stability and performance of enterprise databases. The performance of this core service is measured by the enterprise level databases of the Financial Management System and the Human Resources/Payroll System. The estimated percentage of time data was available during 2003-2004 was 99.82%, an improvement compared to actual availability for 2002-2003, which was 99.43%.

In 2003-2004, the Department continued to develop the data warehousing process, which integrates data from a variety of sources while minimizing impacts to production systems. The data warehouse contains data from the City's Financial Management, Human Resources/Payroll, San José Permits Online, Geographic Information System (GIS), and Business License systems; and current applications include the Capital Improvements Program (CIP), Employee Badge applications, and several other departments using the database for analytical purposes. A multi-departmental team comprised of the Finance Department, City Manager's Office, and the Parks, Recreation and Neighborhood Services Department implemented the project. Future plans include incorporating the warehouse into the Integrated Customer Service Utility Billing Performance Management System (CUSP), GIS Repository, and the Unified Customer Database.

The City was one of the original large cities to develop and use GIS technologies. As the use of GIS evolved throughout the organization, City departments began to develop their own systems, which raised concerns about standardization and efficiency of the GIS system. In response to this lack of commonality, the Information Technology Planning Board (ITPB) investigated the need to establish clear standards, policies, procedures and a governance strategy that promoted an integrated GIS enterprise-wide approach. To implement the recommendations of ITPB, a Standards Committee was formed in 2003-2004 to create a business case supporting a single repository for GIS data. This effort became the first critical step in integrating GIS city-wide and enhancing the service delivery of

Strategic Support CSA

Core Service: City-Wide Data Management *Information Technology Department*





Performance and Resource Overview (Cont'd.)

all CSAs, in particular, the Public Safety CSA Computer Aided Dispatch (CAD)/Automatic Vehicle Location System (AVL) Project, as discussed in the Technology Solutions Consulting core service section. The ITPB will review the work accomplished in this area in the first quarter of 2004-2005.

In 2003-2004, the Information Technology Department continued work on implementing an automated work order system as part of a larger Department-wide Business Improvement Process. This project is discussed further in the Technology and Customer Support core service section.

Performance Measure Development

The Strategic Support CSA is in the process of evaluating its current structure in hopes of consolidating and reducing the number of core services that align to this CSA. The core service performance measures are being reviewed and, if necessary, will be altered to accurately reflect and measure the services contained within the new core service.

City-Wide Data Management Performance Summary	2002-2003 Actual	2003-2004 Target	2003-2004 Estimated	2004-2005 Target
 % of time data is available to approved data users during normal business hours	99.43%	100%	99.82%	100%
 Total cost of resources dedicated to city-wide data management/total IT budget	4%	4%	4%	4%
 % of customer requests responded to and resolved within a response time of 4 hours*	-	TBD	TBD	TBD
 % customers rating availability and quality of data as good or excellent*	56%	65%	65%	80%

* See Performance Measure Development section.

Activity & Workload Highlights	2002-2003 Actual	2003-2004 Forecast	2003-2004 Estimated	2004-2005 Forecast
Total IT budget	\$17,505,459	\$16,662,907	\$16,025,000	\$16,324,863
Total budget for data management	\$810,576	\$875,508	\$875,508	\$946,530

Strategic Support CSA

Core Service: City-Wide Data Management *Information Technology Department*

Performance and Resource Overview (Cont'd.)

City-Wide Data Management Resource Summary	2002-2003 Actual 1	2003-2004 Adopted 2	2004-2005 Forecast 3	2004-2005 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	\$ 367,625	\$ 343,112	\$ 414,134	\$ 414,134	20.7%
Non-Personal/Equipment	442,951	532,396	532,396	532,396	0.0%
Total	\$ 810,576	\$ 875,508	\$ 946,530	\$ 946,530	8.1%
Authorized Positions	3.10	2.85	3.25	3.25	14.0%

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
NONE			

Strategic Support CSA

Core Service: Disbursements *Finance Department*

Core Service Purpose

To coordinate payment of the City's financial obligations.

Key Operational Services:

☐ Accounts Payable

☐ Payroll

Performance and Resource Overview

This core service is responsible for coordinating various payments for all City departments. Customers for this service include City employees, consultants, contractors and all other vendors the City pays for goods and services. The objectives of this core service include accurate and timely payments to City employees and vendors as well as timely responses to requests for information. This core service supports the CSA Outcome: *Sound Fiscal Management that Facilitates Meeting the Needs of the Community*.

Staff collects and analyzes performance data by identifying activities and outputs involved in issuing vendor payments and employee paychecks. In 2003-2004, the cost per paid invoice of \$3.26 was below the established target of \$3.67. The decrease was due to staff level reductions and a decrease in the number of invoices. The number of invoices is anticipated to decrease from 286,583 to 275,000, or 3 percent. The 2004-2005 target of \$3.50 reflects a minor increase in costs for salary and benefit adjustments and an anticipated decrease in total invoices paid resulting from an expected decline in purchasing activity city-wide.

During 2003-2004, staff continued to explore options for process improvements in both the accounts payable and payroll operations. For 2003-2004, 87% of the 286,583 vendor invoices and other payments were paid accurately and on-time. This represented a 6% increase over 2002-2003 levels. The percentage of vendor invoices paid within 30 days was 65%. The average number of days from the date of the invoice to check issuance decreased by one day to 32 days.

To ensure that departments have the requisite knowledge to input invoice information correctly into the Financial Management System, the Finance Department continued to offer training to departments on an as-needed basis or by request. In the future, Departments will continue to receive quarterly reports that provide a comparison of their performance in relation to the city-wide cycle time measure.





Strategic Support CSA


Core Service: Disbursements

Finance Department

Performance and Resource Overview (Cont'd.)

In Payroll Services, PeopleSoft software modifications and upgrades continued to translate into improved efficiencies in payroll processes. In addition, enhancements in timekeeping, on-line adjustments, labor cost reporting, and exception time reporting showed excellent results and will continue to improve efficiencies.

Disbursements Performance Summary	2002-2003 Actual	2003-2004 Target	2003-2004 Estimated	2004-2005 Target
 % of invoices paid accurately and on-time	81%	83%	87%	85%
 Cost per paid invoice	\$3.51	\$3.67	\$3.26	\$3.50
 Average number of days from invoice receipt to check issuance	33	33	32	34
 % of customers who rate disbursement services as good or excellent on a 5-point scale based on courteous and timely responses to information	92%	80%	93%	87%

Selected Operational Measures	2002-2003 Actual	2003-2004 Forecast	2003-2004 Estimated	2004-2005 Forecast
 % of vendor invoices paid within 30 days	65%	65%	65%	66%

Strategic Support CSA

Core Service: Disbursements Finance Department

Performance and Resource Overview (Cont'd.)

Activity & Workload Highlights	2002-2003 Actual	2003-2004 Forecast	2003-2004 Estimated	2004-2005 Forecast
Total cost for Disbursement Services*	\$1.04M	\$1.08M	935,000	945,000
Total number of checks issued	240,339	240,000	226,323	240,000
Total number of invoices paid	295,005	295,000	286,583	275,000
- Vendor invoices paid	85,549	85,000	78,651	77,000
- Vendor invoices paid within 30 days	55,187	55,000	51,263	51,000
Total number of accurate payments	237,653	245,000	250,042	245,000
Total number of survey responses	388	100	315	300

* Includes only direct costs of issuing checks and excludes costs of administrative functions, customer support functions, and data maintenance associated with check issuance.

Disbursements Resource Summary	2002-2003 Actual 1	2003-2004 Adopted 2	2004-2005 Forecast 3	2004-2005 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	\$ 1,402,932	\$ 1,455,837	\$ 1,440,401	\$ 1,440,401	(1.1%)
Non-Personal/Equipment	80,797	36,110	35,910	35,910	(0.6%)
Total	\$ 1,483,729	\$ 1,491,947	\$ 1,476,311	\$ 1,476,311	(1.0%)
Authorized Positions	19.90	18.90	17.37	17.37	(8.1%)

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Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
NONE			

Strategic Support CSA

Core Service: Employee Benefits *Employee Services Department*

Core Service Purpose

Provide employee benefit programs that best meet the needs of employees, retirees, their dependents and the City, and assist participants to utilize their plans effectively.

Key Operational Services:

- | | |
|---|--|
| <input type="checkbox"/> Benefits Classes | <input type="checkbox"/> Customer Services, Counseling and Mediation |
| <input type="checkbox"/> Insurance Premium Payments | <input type="checkbox"/> HRIS-Benefits Module |
| <input type="checkbox"/> Claims Processing | <input type="checkbox"/> Administration and Maintenance |
| <input type="checkbox"/> Eligibility and Contribution Transfers | |

Performance and Resource Overview

The Employee Benefits core service supports the Strategic Support CSA Outcome: *A High-Performing Workforce that is Committed to Exceeding Customer Expectations*. This core service strives to provide employees with a wide array of high-quality and responsive benefit services, and to make accessing and utilizing these services as seamless and trouble-free to beneficiaries as possible. High-quality employee benefits are essential to being an “employer of choice” and to attracting and retaining a high-performing workforce.

The approved investment of City funds for non-retirement employee benefits is over \$57 million for 2004-2005, details of which are included in the Statement of Source and Use of Funds for the Benefit Funds, found elsewhere in this document. In addition, employees may choose to pay for a number of voluntary benefits through payroll deductions such as supplemental life insurance, personal accident insurance, long-term disability, long term care, medical reimbursement accounts, dependent care accounts, and other insurance products. The total value of employee benefits administered, including both City and employee-paid benefits, is projected to be over \$63 million in 2004-2005.

Key accomplishments in 2003-2004 include the City’s association with O’Connor Hospital’s Workforce Health Initiative (WHI), implementation of the PeopleSoft COBRA module, and greater participation in the deferred compensation program. The WHI was first introduced during the 2003 Benefits Fair and gave employees the opportunity to obtain individualized health assessments. By reviewing these assessments from 2003 at a summary level and collecting this information prospectively, the City will be able to develop targeted health intervention programs and to better manage health insurance premiums in 2004-2005. The PeopleSoft COBRA module eliminates many of the manual activities (e.g., tracking against mandated time limits, distributing mandated correspondences on time, etc.) associated with the administration of this federally-mandated program. This increase in automation allows staff to more quickly resolve customer issues and to improve the accuracy of database information, which avoids many eligibility and payment issues.

Strategic Support CSA






Core Service: Employee Benefits *Employee Services Department*

Performance and Resource Overview (Cont'd.)

In the deferred compensation program, the higher annual deferral limits allowed by the Economic Growth and Tax Relief Reconciliation Act (EGTRRA) led to a 12.9% increase in deferrals (from \$31.9 million in 2002-2003 to an estimated \$36 million in 2003-2004).

Key performance objectives in 2004-2005 include the further development of health care cost reduction programs (including the WHI) and competitive processes in the health program, dental program and the deferred compensation plan for part-time, temporary and contractual employees.

For 2004-2005, portions of positions that are dedicated to the administration of benefits but previously funded by the General Fund were shifted to the Dental, Life, and Unemployment Insurance Funds. This reallocation reflected the appropriate funding source and will not result in any service level impacts.

Employee Benefits Performance Summary	2002-2003 Actual	2003-2004 Target	2003-2004 Estimated	2004-2005 Target
 % of providers in compliance with negotiated benefits	90%	91%	91%	91%
 Cost of benefits administration per FTE	\$141*	\$110	\$142*	\$150*
 % of requests for services resolved in one day	N/A	90%	94%	90%
 % of Human Resources Information Systems transactions completed within the target pay period	100%	100%	100%	100%
 % of participants rating benefit program products and services as good to excellent	N/A	80%	N/A**	80%

* Reflects a correction in calculation methodology for this measure.

** Due to workload constraints the survey will not be administered in 2003-2004.

Activity & Workload Highlights	2002-2003 Actual	2003-2004 Forecast	2003-2004 Estimated	2004-2005 Forecast
Annual contributions to Deferred Compensation	\$31.9M	\$30.0M	\$36.0M	\$34.5M
% of employees contributing to Deferred Comp	66%	66%	66%	66%
% of employees/retirees enrolled in dental HMO	9%	9%	6%	5%

Strategic Support CSA

Core Service: Employee Benefits *Employee Services Department*

Performance and Resource Overview (Cont'd.)

Employee Benefits Resource Summary	2002-2003 Actual 1	2003-2004 Adopted 2	2004-2005 Forecast 3	2004-2005 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	\$ 768,351	\$ 863,733	\$ 936,966	\$ 936,966	8.5%
Non-Personal/Equipment	850,313	905,457	912,457	912,457	0.8%
Total	\$ 1,618,664	\$ 1,769,190	\$ 1,849,423	\$ 1,849,423	4.5%
Authorized Positions	10.15	10.15	10.00	10.00	(1.5%)

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
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A HIGH PERFORMING WORKFORCE THAT IS COMMITTED TO EXCEEDING CUSTOMER EXPECTATIONS

1. Benefits Administration Funding Shift 0 (309,189)

Several positions in the Employee Services Department are dedicated to the administration of benefits. This action permanently shifts 3.2 positions (1.5 Staff Technician, 1.2 Analyst, and 0.5 Division Manager) from the General Fund to the Benefits Funds (Dental Insurance, Life Insurance and Unemployment Insurance) to more accurately align budgeted staffing levels with anticipated workload. The associated 2003-2004 General Fund savings has already been included in the Department's previously approved 2003-2004 Cost/Position Management Plan. (Ongoing savings: \$0)

Performance Results:

No change to service levels will result from this action.

2004-2005 Adopted Core Service Changes Total	0	(309,189)
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Strategic Support CSA

Core Service: Employment Services

Employee Services Department

Core Service Purpose

Facilitate the timely hiring of excellent employees, and administer the City's classification and compensation systems.

Key Operational Services:

- | | |
|---|---|
| <input type="checkbox"/> Recruitment, Assessment and Hiring | <input type="checkbox"/> Employee Placements |
| <input type="checkbox"/> Job Classification/Compensation | <input type="checkbox"/> Temporary Employment Program |

Performance and Resource Overview

The Employment Services core service supports the Strategic Support CSA outcome of *A High Performing Workforce that is Committed to Exceeding Customer Expectations*. This core service partners with client CSA representatives to conduct tailored job recruitments, administer candidate assessments for selected job classes, and ensure effective and efficient hiring processes. Despite the economic slow down and organizational downsizing, there continues to be a need to fill key positions, especially for public safety, capital projects, and priority community services. It is estimated that over 600 employees were hired in 2003-2004, including many in seasonal and part-time positions. For 2004-2005, Employment Services will likely hire approximately the same number of employees for positions that are primarily part-time, temporary and seasonal. The high percentage of the workforce at or near retirement age will result in a disproportionate number of experienced, senior employees leaving City employment in the near future, vacating some key positions that will need to be filled. At the same time, the supply of qualified applicants in the local job market will continue to be high (85 applicants per job posting). These trends all reinforce the importance of effective recruiting, screening, and hiring.

The City's progressive hiring system, adopted in March 2003 after a five-year pilot program, provides the means to achieve fast, efficient, and effective hiring of employees. However, work will continue in the coming year to ensure that hiring managers and Employee Services liaisons throughout the organization are trained in the skills needed to use the hiring system appropriately and to achieve fair and valid selection decisions. Employee Services will also continue to work on quality control reviews of individual hiring processes, and refinements of policies and operating procedures. These actions, in partnership with the labor-management Employment Oversight Committee and the Civil Service Commission will continue to improve the hiring process and the results it produces.

Employee Services also expanded its recruitment services to include executive recruiting in 2004. By successfully assisting with the recruitments of three key City executive-level positions, Employment Services provided a cost-effective alternative to the use of the traditional specialized search firms.

Strategic Support CSA

Core Service: Employment Services *Employee Services Department*

Performance and Resource Overview (Cont'd.)

Classification and compensation services are also a key part of Employment Services. Classification and compensation services ensure that jobs are designed and described properly to support business needs, and sound organizational principles. Compensation work includes analyses and actions to promote market-based compensation, while also ensuring internal pay equity among City jobs. In times of downsizing, the way work is organized, distributed, and completed within each part of the organization changes; therefore, the demand for classification and compensation services is high. A number of reorganizations within departments or CSA business units are in process and will require additional classification actions in 2004-2005.

Employment Services is also responsible for facilitating organization downsizing by administering placements, bumping, redeployment and layoffs of employees displaced because of budget reductions. In 2003-2004, staff successfully placed all 73 employees who were affected by position cuts into other City jobs. For 2004-2005, the number of employees affected by position eliminations was 153, all of which were successfully placed into other City jobs.

Employment Services also provides temporary employment resources for other CSAs by maintaining pools of employees and retirees available for temporary assignments. During the prolonged hiring freeze, the ability to use temporary employees provides a valuable alternative for staffing critical work. The City will continue to use temporary pool employees at a high level in 2004-2005.









Performance Measure Development

Performance measures for the Employment Services core service were revised in 2004-2005. These measures will provide a more balanced assessment of the services provided and to allow comparisons with other agencies based on industry standards. The target time to complete recruitments will be linked directly to the hiring manager's specific target. Turnover rates will be used to provide an assessment of the organization's overall ability to retain employees and will be further broken down by key components of the workforce. The performance appraisal measure will allow an assessment of how well the organization is doing in hiring, developing and retaining good employees.

Strategic Support CSA

Core Service: Employment Services *Employee Services Department*

Performance and Resource Overview (Cont'd.)

Employment Services Performance Summary	2002-2003 Actual	2003-2004 Target	2003-2004 Estimated	2004-2005 Target
 Turnover Rates: Total, Non-Public Safety, Public Safety, and Information Technology employees	5.8%	N/A*	N/A*	6%
 Turnover Rates: Total, Non-Public Safety, And Public Safety employees	N/A*	N/A*	N/A*	6%
 Turnover Rates: Information Technology employees	N/A*	N/A*	N/A*	8%
 % of employee performance reviews completed on schedule	N/A*	N/A*	N/A*	TBD*
 % of hiring managers rating probationary employees as meets standard or above	N/A*	N/A*	N/A*	TBD*
 Ratio of actual working days for external recruitment versus target	N/A*	N/A*	N/A*	1.0
 Ratio of actual working days for internal recruitment versus target	N/A*	N/A*	N/A*	1.0
 Working days to reclassify an occupied position	N/A*	N/A*	N/A*	TBD*

* New measure: baseline data to be collected in 2004-2005

Activity & Workload Highlights	2002-2003 Actual	2003-2004 Forecast	2003-2004 Estimated	2004-2005 Forecast
New job postings, total	253	130	208	200
New job postings, internal	148	78	130	120
New job postings, external	105	52	78	80

Strategic Support CSA

Core Service: Employment Services *Employee Services Department*

Employee Services Resource Summary	2002-2003 Actual 1	2003-2004 Adopted 2	2004-2005 Forecast 3	2004-2005 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	\$ 1,121,737	\$ 1,006,412	\$ 898,541	\$ 898,541	(10.7%)
Non-Personal/Equipment	161,483	89,763	89,763	89,763	0.0%
Total	\$ 1,283,220	\$ 1,096,175	\$ 988,304	\$ 988,304	(9.8%)
Authorized Positions	15.00	12.00	10.00	10.00	(16.7%)

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
NONE			

Strategic Support CSA

Core Service: Equality Assurance *Public Works Department*

Core Service Purpose

To ensure City contractors pay their employees proper wages and benefits.

Key Operational Services:

- ☐ Monitor, Investigate, and Resolve Labor Compliance Violations

Performance and Resource Overview

As a partner in the Strategic Support CSA, Equality Assurance staff is responsible for ensuring that City contractors pay their employees proper wages and benefits. This is a highly labor intensive process requiring review and verification of fringe benefits, certified payroll records, on-site interviews and resolution of all classification, wage, and benefit, discrepancies and complaints.

For 2004-2005, the core service will have 11 positions to carry out Equality Assurance responsibilities. This represents an 8% reduction from 2003-2004 staffing levels and a 21% reduction from 2002-2003 levels. However, even during this time of economic uncertainty, the number of contracts awarded with wage requirements remains on par with 2000-2001 levels. Since 2000-2001, the number of labor compliance violations identified has increased by 157%. In 2002-2003, the amount of wages recovered and paid to workers was \$675,000. For 2004-2005, the San José Redevelopment Agency will provide \$80,000 for labor compliance services, a reduction of 20% from the 2003-2004 funding level.

The service level impacts associated with the elimination of two Contract Compliance Specialists during the 2003-2004 budget process have been mitigated by the establishment of a more strategic monitoring approach that puts more emphasis on preventing labor compliance violations. There have been service level impacts associated with the March 2004 elimination of a Contract Compliance Coordinator, included in the General Fund 100 Vacant Position Elimination Plan. These impacts have included increased response times to 1) provide classifications for service and maintenance contracts; 2) identify labor compliance violations, and 3) ensure compliance and recover back wages for affected workers. The “% of service and maintenance classification determinations issued within 3 days of department request” during 2003-2004 was estimated at 70%, equaling the 2003-2004 target.

Equality Assurance is planning on several innovations in 2004-2005 to help mitigate these service level impacts, including the use of on-line compliance reporting for large Public Works contracts and an increase in the use of Public Works inspectors to assist with compliance monitoring. In

Strategic Support CSA





Core Service: Equality Assurance *Public Works Department*

Core Service Purpose

addition, Equality Assurance is implementing a new procedure that will strengthen and ensure compliance on service and maintenance contracts. Equality Assurance staff is anticipating the full effect of new requirements for withholding payment and assessing liquidated damages for wage violations, with the hope that there will be more timely document submittals and fewer wage violations.

Performance Measure Development

For 2004-2005, new performance measures have been developed for this core service that reflect the importance of ensuring labor compliance by City contractors. The performance measure for quality has been changed from “% of construction projects completed and closed without labor violations” to “% of contracts with wage requirements that are brought into compliance.” The new quality measure was developed in response to input received from stakeholders to more accurately reflect the type of work being performed and the effectiveness of staff at bringing contractors into compliance using the new tools. In addition, the performance measure for cost has been changed from “\$ per contract monitored” to “Cost of labor compliance services as a percentage of total \$ amount of contracts with wage requirements.” The new cost measure accurately demonstrates the overall cost of service delivery for the Equality Assurance core service. Finally, an additional cycle time measure “% of letters and labor compliance documents mailed to contractor within 10 days of Council award” has been added to demonstrate timeliness of service delivery for external customers.

Equality Assurance Performance Summary	2002-2003 Actual	2003-2004 Target	2003-2004 Estimated	2004-2005 Target
 % of contracts with wage requirements that are brought into compliance	-	-	-	100%
 Cost of labor compliance services as a percentage of total \$ amount of contracts with wage requirements	-	-	-	TBD*
 % of service and maintenance classification determinations issued within 3 days of department request	71%	70%	70%	70%
 % of letters and labor compliance documents mailed to contractor within 10 days of Council award*	-	-	-	TBD*

* New performance measure; baseline will be established in 2004-2005.

Strategic Support CSA

Core Service: Equality Assurance Public Works Department

Performance and Resource Overview (Cont'd.)

Activity & Workload Highlights	2002-2003 Actual	2003-2004 Forecast	2003-2004 Estimated	2004-2005 Forecast
Number of contracts with wage requirements	3,149	1,800	2,150	2,500
Number of contracts with labor compliance violations identified	134	120	120	100
Number of contractors' employees owed restitution	826	600	600	550
Total \$ amount of restitution owed to employees	\$674,760	\$600,000	\$600,000	\$500,000

Equality Assurance Resource Summary	2002-2003 Actual 1	2003-2004 Adopted 2	2004-2005 Forecast 3	2004-2005 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	\$ 1,090,279	\$ 1,139,504	\$ 1,073,184	\$ 1,073,184	(5.8%)
Non-Personal/Equipment	26,759	27,315	27,115	27,115	(0.7%)
Total	\$ 1,117,038	\$ 1,166,819	\$ 1,100,299	\$ 1,100,299	(5.7%)
Authorized Positions	14.00	12.00	11.00	11.00	(8.3%)

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Budget Changes by Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
SAFE AND FUNCTIONAL PUBLIC INFRASTRUCTURE, FACILITIES, MATERIALS AND EQUIPMENT			
1. Labor Compliance Funding Shift		0	0
This action shifts the funding for 0.25 Contract Compliance Coordinator from capital funds to the Airport Maintenance and Operation Fund. This funding shift will more effectively align budgeted Equality Assurance staffing levels with projected workloads in the capital and Airport programs (Ongoing cost: \$0)			
Performance Results: No change to service levels will result from this action.			
2004-2005 Adopted Core Service Changes Total	0.00	0	0

Strategic Support CSA

Core Service: Facilities Management *General Services Department*

Core Service Purpose

Provide safe, efficient, comfortable, attractive and functional buildings and facilities.

Key Operational Services:

- | | |
|--|---|
| <input type="checkbox"/> Facilities Maintenance Services | <input type="checkbox"/> Technical Services |
| <input type="checkbox"/> Facilities Improvement Services | <input type="checkbox"/> Graffiti Abatement |
| <input type="checkbox"/> Special Event Support Services | |

Performance and Resource Overview

Facilities Management is responsible for maintaining the City's building infrastructure through preventive and corrective maintenance and the implementation of facility improvements to enhance service delivery and the user's experience. This core service contributes to the Strategic Support CSA outcome: *Safe and Functional Public Infrastructure, Facilities, Materials and Equipment*. Facilities Management supports the CSA outcome by striving to ensure that all of the City's facilities meet the following criteria:

- Safe to occupy, operate and use
- Functional to the operations supported and to the needs of the customers served
- Efficient building components and systems
- Attractive to the public and the surrounding neighborhoods
- Comfortable for the occupants and users

The economic environment continues to present significant challenges in sustaining the existing maintenance service levels and maintaining the overall condition of City facilities. As such, Facilities Management has attempted to achieve operational savings while minimizing the impacts to customers and City facilities. However, given the severity of the need for cost savings, service level reductions are unavoidable.

Facilities Management will continue to focus on 1) finding ways to achieve operational savings; 2) reducing contractual services with minimal impact; 3) shifting General Fund costs to alternative funding sources where the shift can be aligned with services provided; and 4) prioritizing resources to maintain a minimum basic level of service and to respond to emergencies.

Facilities Management achieved savings in 2004-2005 in a number of ways. Primarily, contractual services and the associated budget typically utilized to supplement corrective maintenance activities were reduced. Facilities Management's primary focus will be preventative maintenance tasks that prolong the useful life of building systems and ensure the reliability of those systems.

Strategic Support CSA

Core Service: Facilities Management *General Services Department*

Performance and Resource Overview (Cont'd.)

Thus, the number of preventative work orders completed will increase when comparing the 2003-2004 estimated levels to the 2004-2005 forecast and the number of corrective work orders completed will decrease when comparing the 2003-2004 estimated levels to the 2004-2005 forecast. Corrective maintenance needs will be addressed but only at the very basic level and restricted to what is minimally required to ensure the proper operation of each facility. Health and safety concerns will continue to be immediately mitigated.







Custodial services are an integral part of maintaining City facilities. Basic custodial services include cleaning and stocking restrooms, collecting garbage, recycling, and replacing lamps in some locations. Cleaning windows, dusting and providing minimal floor care are also included in the custodial services contracts at select locations. With the exception of the Civic Center Complex, all the Fire stations, and the old Dr. Martin Luther King Jr. Main Library, custodial services at most City facilities are contracted out. In an attempt to align with the Recreation and Cultural Services CSA community center “hub” model, Facilities Management reduced custodial contractual services to align with the facilities that will be closed or reduced in operational hours. In addition, all remaining contractual floor core services have been eliminated. In-house staff will still perform some floor care, but only to mitigate emergencies and health and safety concerns.

The performance measure “% of facilities with a condition assessment rating of very good or excellent” has significantly benefited from the “Decade of Investment”. The original target was set assuming the economy and reduced resources would hinder improvement in this performance measure; however, the results have exceeded expectations due to several investments in the infrastructure through the Capital Improvement Program. As a result of this, an increase in performance is also anticipated in 2004-2005. However, sustaining these improvements will be a difficult challenge in future years. The relatively low performance measure “% of non-health and safety work completed within time standards” targeted in 2004-2005 at 65%, combined with the decreasing number of work orders completed are indications of Facilities Management’s inability to address all maintenance needs in a timely manner. This may not have immediate impacts, but will gradually be realized by declining conditions in facilities after the “Decade of Investment” is completed.

Strategic Support CSA

Core Service: Facilities Management General Services Department

Performance and Resource Overview (Cont'd.)

Facilities Management Performance Summary	2002-2003 Actual	2003-2004 Target	2003-2004 Estimated	2004-2005 Target
 % of facilities with a condition assessment rating of very good or excellent	17%	12%	32%	40%
 Cost of maintenance/total square feet to be maintained	\$5.52	\$5.90	\$5.20	\$5.90
 % of health and safety concerns addressed within 24 hours	100%	100%	100%	100%
 % of non-health and safety work completed within time standards	69%	60%	70%	65%
 % of customers who rate service as very good or excellent	86%	60%	85%	80%
 % of public who rate publicly assessed buildings as very good or excellent	63%	57%	61%	61%

Activity & Workload Highlights	2002-2003 Actual	2003-2004 Forecast	2003-2004 Estimated	2004-2005 Forecast
Total number of corrective work orders completed	7,365	7,100	6,291	6,000
Total number of preventive work orders completed	3,420	8,300	2,795	4,000
New square footage added during the period	19,194	89,200	63,200	641,019
Total square footage maintained	1.64M	1.73M	1.70M	2.24M

Facilities Management Resource Summary	2002-2003 Actual 1	2003-2004 Adopted 2	2004-2005 Forecast 3	2004-2005 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	\$ 6,911,351	\$ 6,971,192	\$ 6,790,437	\$ 6,730,628	(3.5%)
Non-Personal/Equipment	5,552,756	5,472,680	5,354,501	4,765,154	(12.9%)
Total	\$ 12,464,107	\$ 12,443,872	\$ 12,144,938	\$ 11,495,782	(7.6%)
Authorized Positions	93.00	85.00	79.00	78.00	(8.2%)

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Strategic Support CSA

Core Service: Facilities Management General Services Department

Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
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SAFE AND FUNCTIONAL PUBLIC INFRASTRUCTURE, FACILITIES, MATERIALS AND EQUIPMENT

1. Facilities Management Contractual Services (546,924) (546,924)

This action reduces the custodial services contract to align with the community center "hub" model included in the Recreation and Cultural Services CSA and detailed in the Life Enjoyment Services core service. This action also reduces the non-personal/equipment appropriation by \$483,000 (\$383,000 contractual services, \$100,000 supplies and materials). The materials funding reduction will limit the ability of in-house staff to purchase equipment and materials necessary to complete repairs and perform maintenance. The contractual services funding reduction will limit the departments' ability to perform work requests that the workforce cannot immediately address. This funding was also used to provide a limited amount of floor care service. These reductions are partially offset by an increase in funding for preventative maintenance and minor repairs for two new facilities coming on-line in 2004-2005. This includes the Gardner Community Center and the West Community Policing Center. (Ongoing savings: \$579,700)

Performance Results:

Cost Some maintenance activities may need to be charged to alternate funding sources. **Cycle Time** The percentage of non-health and safety work completed within time standards will decrease 5% from 2003-2004 estimated levels. **Customer Satisfaction** The percentage of the public who rate publicly accessed buildings as good or excellent is expected to decrease when the next city-wide survey is conducted in 2005-2006. The percentage of customers who rate service as good or excellent may also decrease. Combined with the loss of staffing included in other proposals in this core service, this decrease is expected to be 5%.

2. Service Yards Management Funding Shift* 0 (150,411)

This action transfers one half of the funding for three filled positions (Analyst, Associate Engineering Technician, and Trades Supervisor) from the General Fund to the Service Yards Capital Program. Funding these positions from Construction and Conveyance Tax funds will more accurately align staffing resources with anticipated workload in 2004-2005. (Ongoing savings: \$0)

Performance Results:

No change to service levels will result from this action.

3. Facilities Management Staffing Levels (1.00) (82,232) (82,232)

This change eliminates a filled Senior Custodian and associated non-personal/equipment funding. This position provides services to the Civic Center Complex. The night shift will maintain a single supervisor, although direct supervision will be diminished. (Ongoing savings: \$87,669)

Performance Results:

Customer Satisfaction Overall facility cleanliness will be impacted at the Civic Center. The decrease in direct supervision will result in a loss of versatility in the night shift work force. As a result, the percentage of customers who rate service as good or excellent at the Civic Center may decrease from 2003-2004 estimated levels.

Strategic Support CSA

Core Service: Facilities Management *General Services Department*

Budget Changes By Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
SAFE AND FUNCTIONAL PUBLIC INFRASTRUCTURE, FACILITIES, MATERIALS AND EQUIPMENT (CONT'D.)			
4. Vehicle Maintenance Funding Reduction		(20,000)	(20,000)
This action reduces vehicle maintenance and operations costs as a result of eliminating two Equipment Mechanic Assistant positions in the Fleet and Equipment Services core service and decreasing contractual services funding. The impact of this reduction is a cost savings of \$492,788 city-wide, of which \$394,230 is generated in the General Fund. The cost savings in the General Services Department, Facilities Management Core Service is \$20,000. (Ongoing savings: \$20,000)			
Performance Results:			
Cycle Time Cycle times for preventative maintenance and minor repairs may increase due to the elimination of staff and reduction in the ability to use contractual services for peak workload periods.			
Customer Satisfaction Customer satisfaction may be impacted due to possible cycle time increases however, they are anticipated to be minimal due to the reduced fleet size.			
2004-2005 Adopted Core Service Changes Total	(1.00)	(649,156)	(799,567)

* This action was included in the 2004-2005 Proposed Operating Budget: Accelerated Proposals memorandum approved by City Council May 4, 2004.

Strategic Support CSA

Core Service: Financial Management *Finance Department*

Core Service Purpose

Manage and protect the City's resources to enhance the City's financial condition.

Key Operational Services:

- | | |
|---|---|
| <input type="checkbox"/> Revenue Collection | <input type="checkbox"/> Debt Management |
| <input type="checkbox"/> Investments | <input type="checkbox"/> Property and Liability Insurance |

Performance and Resource Overview

Financial Management refers to the general oversight of the City's financial resources. This core service supports the Strategic Support CSA Outcome: *Sound Fiscal Management that Facilitates Meeting the Needs of the Community*. This outcome is supported by developing and streamlining business systems and processes that support the delivery of City services; and through timely cash collection, prudent investment of the City's cash, financing capital projects at the lowest possible cost and providing adequate coverage for risk exposures.

The Financial Management core service enhances the City's financial condition to ensure the City's reputation among the best managed cities of similar size. One measure of fiscal strength is the City's bond rating, and San José continued to be among the highest rated large cities in California in 2003-2004. These ratings enabled the City to borrow money at the lowest possible interest rate, thus reducing costs to finance capital projects.

Through the passage of the Neighborhood Libraries and Parks and Recreational Facilities General Obligation Bond Measures in 2000, and the Neighborhood Security Act Bond Measure in 2002, the residents expect the City to provide additional facilities and improve existing ones. In 2003-2004, one Library project, 74 Parks projects, and three Public Safety projects were completed, with a large number of additional projects in design or under construction.

In addition to general obligation bonds, the City issues lease revenue, airport revenue, and sewer revenue bonds to finance projects such as the New City Hall, the North Concourse at the Norman Y. Mineta San José International Airport, and the Water Pollution Control Plant. The City also facilitates construction of public infrastructure and affordable housing through issuance of special tax and special assessments bonds and multifamily housing revenue bonds.

As a standard, the City charges an issuance fee for multifamily housing and land-based financings to compensate the General Fund for services provided by Finance and Attorney's Office staff, and Housing and Public Works staff as appropriate. The Strategic Support CSA expanded the issuance fee to include all debt issued by the City and its agencies in 2004-2005. At four issuances per year, a \$50,000 issuance fee will generate approximately \$200,000 of annual General Fund revenue. This revenue estimate assumed a debt issuance capacity consistent with the current staffing configuration.

Strategic Support CSA

Core Service: Financial Management *Finance Department*

Performance and Resource Overview (Cont'd.)

As part of a bond issuance, a debt service reserve fund is generally established to protect bondholders from any interruption in the City's ability to make payments on the bonds. Staff identified six debt service reserve funds, totaling approximately \$9 million that will be invested in a consolidated investment agreement beginning in 2004-2005. The annual interest earnings on the consolidated investment agreement, estimated to be at least \$225,000, will correspondingly reduce the budget requirements for debt service payments from the General Fund and the affected special funds.

The City of San José manages its exposure to catastrophic events by purchasing insurance and including risk transfer terms in its contracts. Growth in the City's Capital Improvement Program is challenging the Risk Management Program's ability to provide the optimal insurance coverage to protect new City facilities and to clear contracts expeditiously. Although an Insurance Analyst position supporting the Capital Improvement Program was eliminated during 2003-2004, Risk Management was able to realize efficiencies by shifting workloads and increasing its use of technology. The staff succeeded in continuing to clear contracts within five working days.

Over the course of the last two years, Financial Management staff has been engaged in conducting compliance reviews for the third largest revenue source to the City's General Fund – the Utility User's Tax. During the course of conducting these reviews, Financial Management staff found multiple instances of non-compliance requiring a high level of follow-up to assure the outstanding tax owed the City is ultimately collected. During the follow-up process, the City determined that one Utility User Tax payer had underpaid the City by \$730,000 as a result of Utility Users Tax compliance review.

Subsequent to November 1998, after a City of San José ballot measure to extend a Utility User Tax to interstate and international telephone calls failed, the City had collected, but did not recognize as revenue, \$1,460,600 of Utility User Tax (UUT). This amount was held in a suspense account while remitters of taxes paid after the defeat of the ballot measure were afforded the opportunity to obtain an appropriate refund during a notification process. During 2003-2004, \$1,000,000 was recognized as revenue and transferred into the General Fund. In 2004-2005, the City is recognizing the remaining revenue in the amount of \$460,600 after the necessary notification requirements are met.

The Business Information Management System (BIMS) compares various business lead source data files (e.g. State of California Franchise Tax Board, State Resale Permits, Fictitious Business Filings, etc.) to the City's Business Tax Billing System to isolate business not in compliance with the business tax ordinance. This two-year project, which will continue to provide education and outreach to City businesses while increasing overall compliance, will yield additional business tax, penalty and interest revenue of \$1,450,000 in the first three quarters of 2004-2005.

Strategic Support CSA

Core Service: Financial Management *Finance Department*

Performance and Resource Overview (Cont'd.)

A Business Tax Amnesty program provides delinquent taxpayers an opportunity to forgo paying delinquent penalties and interest during a defined amnesty period while becoming compliant with tax requirements. Increased compliance due to the Amnesty Program will lead to the expected collection of an additional \$990,900 in business tax revenue.

To measure the cost of Financial Management services, the labor cost for staff providing these services was compared to the value of the City's total assets as shown in the Comprehensive Annual Financial Report (CAFR). The cost ratio target for 2004-2005 is expected to remain unchanged over the 2003-2004 estimate.

For 2003-2004, the average number of days active accounts receivable in the City's automated collection management system (Revenue Plus) were past due was 75 days. The target for 2004-2005 is at the same level. To help ensure this target is achieved, Finance Department collections staff is strategically placing more emphasis on collecting seriously delinquent accounts.




In response to the budget deficit, the Financial Management core service has suffered a number of personnel reductions. An Administrative Officer position supporting the Finance Department's Treasury Division was eliminated. This position provided management support for Finance Department revenue collection efforts including tax and fee compliance reviews, accounts receivable analysis, and legislative analysis. The impact of this reduction will be a decrease in management for the City's Revenue Enhancement Program, creating increased oversight requirements for remaining management staff. A Secretary position in Finance Department's Treasury Division was also eliminated. This position was responsible for providing administrative and direct customer service support to the City's Business Tax, Sanitary and Storm Sewer Use, Recycle Plus and Regulatory Permits Programs. Consequently, this reduction will decrease the capacity to provide direct customer service in these programs.

In 2004-2005, Recycle Plus customers will pay their bills at the Finance Department's Treasury Division cashiering counter in City Hall as opposed to the Recycle Plus call center location. The Cashiering Division is cross-training staff to facilitate a city-wide cashiering consolidation that ultimately will be achieved when the City occupies the New City Hall.


Strategic Support CSA

Core Service: Financial Management *Finance Department*

Performance and Resource Overview (Cont'd.)

Financial Management Performance Summary	2002-2003 Actual	2003-2004 Target	2003-2004 Estimated	2004-2005 Target
 City's bond rating - Moody's - Standard & Poor's - Fitch	Aa1 AA+ AA+	Aa1 AA+ AA+	Aa1 AA+ AA+	Aa1 AA+ AA+
 Cost of financial management services as a percentage of total assets*	0.054%	0.072%	0.072%	0.072%
 % of customers who rate financial management services as good or excellent on a 5-point scale based on courteous and timely responses to requests for information	89%	82%	88%	82%

* The Comprehensive Annual Financial Report (CAFR) is used to provide the information for the total recorded value of the assets. Due to the implementation of GASB 34 in 2001-2002, total assets reported in the CAFR are now reported on a full accrual basis and include infrastructure assets that had not been previously reported. This resulted in a large increase in the value of City assets used compared to the 2002-2003 level.

Selected Operational Measures	2002-2003 Actual	2003-2004 Forecast	2003-2004 Estimated	2004-2005 Forecast
 Average number of days active accounts receivable are past due	78	75	75	75

Activity & Workload Highlights	2002-2003 Actual	2003-2004 Forecast	2003-2004 Estimated	2004-2005 Forecast
Total cost for Financial Management services	\$4.62M	\$6.21M	\$6.21M	\$6.24M
Total recorded value of City assets	\$8.43B	\$8.58B	\$8.58B	\$8.58B
Total number of survey responses	388	100	315	300

Strategic Support CSA

Core Service: Financial Management *Finance Department*

Performance and Resource Overview (Cont'd.)

Financial Management Resource Summary	2002-2003 Actual 1	2003-2004 Adopted 2	2004-2005 Forecast 3	2004-2005 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	\$ 4,512,681	\$ 5,187,866	\$ 5,174,661	\$ 5,256,929	1.3%
Non-Personal/Equipment	409,728	1,021,843	778,243	984,643	(3.6%)
Total	\$ 4,922,409	\$ 6,209,709	\$ 5,952,904	\$ 6,241,572	0.5%
Authorized Positions	65.07	66.07	64.10	62.93	(4.8%)

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
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SOUND FISCAL MANAGEMENT THAT FACILITATES MEETING THE NEEDS OF THE COMMUNITY

1. Finance Administrative Staffing (1.17) (117,732) (105,885)

This action eliminates a filled Administrative Officer and 0.17 of a filled Secretary position. The Administrative Officer position provided management support for revenue collection efforts including tax and fee compliance reviews, accounts receivable analysis, and legislative analysis. The Secretary position provided direct customer support for the City's Business Tax, Sewer Service and Use Charge Fund, Recycle Plus, and Regulatory Permits programs as well as prepares financial reports and analysis. (Ongoing savings: \$127,969)

Performance Results:

Existing staff will absorb the responsibilities of the eliminated position, resulting in longer response times to customers.

2. Financial Advisory Services (22,000) (22,000)

This action reduces contractual services funding which is used for trustee and financial advisor services. The reduction may reduce the quantity and depth of analysis available for potential bond funded projects. (Ongoing savings: \$22,000)

Performance Results:

Cycle Time Timing associated with projects may be extended as creative solutions to avoid the purchase of new parts.

Strategic Support CSA

Core Service: Financial Management *Finance Department*

Budget Changes By Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
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SOUND FISCAL MANAGEMENT THAT FACILITATES MEETING THE NEEDS OF THE COMMUNITY (CONT'D.)

3. Recycle Plus Cashiering Services 0 (27,323)

This action shifts the funding for 0.5 of an Account Clerk position from the General Fund to the Integrated Waste Management Fund. The cashiering functions of the Recycle Plus Program, previously performed by the Environmental Services Department, will be consolidated into the Finance Department. Staff will be cross-trained to provide Recycle Plus and city-wide cashiering services. (Ongoing savings: \$0)

Performance Results:

No change to service levels will result from this action.

4. Administrative Support Staffing Funding Shift 0 (35,322)

This action reallocates funding for 0.45 of an Account Clerk position and 0.17 of an Office Specialist from the General Fund to the Integrated Waste Management Fund and Sewer Service and Use Charge Fund. These positions will support services related to these funds. (Ongoing savings: \$0)

Performance Results:

No change to service levels will result from this action.

5. Business Information Management System Lead Project 200,000 200,000

This action generates gross revenues of \$1,450,000, which includes one-time costs of approximately \$200,000 for support services to implement this program. The Business Information Management System (BIMS) project combines data from various sources to identify business tax leads. The revenues are generated from business taxes in the current year as well as penalties and interest for prior years. To date, the BIMS system has identified more than 41,000 business leads and completed follow up on 3,900. It is anticipated that the program will be terminated after the third quarter of 2004-2005. (Ongoing cost: \$0)

Performance Results:

Cost This action reflects additional resources needed to implement the Business Information Management System Lead Project (BIMS) program. These costs, however are offset by additional revenue of \$1,450,000 in General Fund.

Strategic Support CSA

Core Service: Financial Management *Finance Department*

Budget Changes By Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
SOUND FISCAL MANAGEMENT THAT FACILITATES MEETING THE NEEDS OF THE COMMUNITY (CONT'D.)			
6. Rebudget: Business Tax Amnesty Program		228,400	228,400
This action rebudgets resources for non-personal expenditures (i.e. postage, collections, etc.) associated with the implementation of the Business Tax Amnesty Program. (Ongoing cost: \$0)			
Performance Results: N/A (Final Budget Modification)			
2004-2005 Adopted Core Service Changes Total	(1.17)	288,668	237,870

Strategic Support CSA

Core Service: Financial Reporting *Finance Department*

Core Service Purpose

To provide accurate and meaningful reporting on the City's financial condition.

Key Operational Service:

- ☐ Financial Information and Analysis

Performance and Resource Overview

Financial Reporting services provided by the Finance Department address customer requirements for financial information and analysis. City departments use the information to improve quality and reduce costs of services provided, improve efficiency, improve decision making capabilities, and increase the sharing of knowledge; outside agencies seek reports for their unique purposes. This core service supports the Strategic Support CSA Outcome: *Sound Fiscal Management that Facilitates Meeting the Needs of the Community*.

Customers have indicated that financial information needs to be accurate, timely and available in desired formats for it to be meaningful and useful to them. In 2003-2004, 95% of reports produced were accurate and on-time. Based on further staffing reductions that were approved, it is difficult to maintain 2003-2004 targets; therefore, the target for 2004-2005 decreased to 90%.

City staff continued to be involved with the on-going operation and financial monitoring of the Hayes Mansion after a new management company was appointed to operate the facility on January 1, 2004. The City's association assures that the Hayes Mansion is being operated in accordance with the Management Agreement, the City's ownership and investment interests in Hayes Mansion are being protected, and the Hayes Mansion Bonds are properly administered and monitored. As specified in the Management Agreement, the Hayes Mansion is reimbursing the General Fund for costs incurred to administer and monitor the Hayes Mansion bonds.

In 2003-2004, the cost per report of \$404 was higher than the target of \$359. This increase of 13% was due in part to the ongoing development of information to more precisely allocate staff costs associated with financial reporting. Additional reporting responsibilities were incurred with a correspondingly higher cost, but the number of reports being tracked remained the same. The Financial Reporting costs included the additional resources necessary to track the infrastructure assets and depreciation schedules to comply with the financial reporting model as required by Government Accounting Standard Board's thirty-fourth pronouncement (GASB 34). The quality and usefulness of information improved and as predicted, the new fixed asset system provided more detail for users.




Strategic Support CSA

Core Service: Financial Reporting *Finance Department*

Performance and Resource Overview (Cont'd.)

The Finance Department, in partnership with the Information Technology Department, planned, developed, designed, and implemented the capability for the City's internal departments to access monthly financial reports electronically. This feature provides more timely reports with enhancements (such as key word searching capability) that are not possible with paper reports.

The department realized better than anticipated performance in generating accurate and on time reports in 2003-2004 at 95%. In 2003-2004, customer surveys showed that 86% of customers rated reports as good to excellent, an increase of 3% from 2002-2003. The Department will continue to use the information received from its customers to improve service levels of the financial reporting core service.

Financial Reporting Performance Summary	2002-2003 Actual	2003-2004 Target	2003-2004 Estimated	2004-2005 Target
 % of reports that are accurate and on-time	95%	90%	95%	90%
 Cost per report	\$414	\$359	\$404	\$392
 % of customers who rate reports as good or excellent on a 5-point scale based on clarity, timeliness, usefulness and availability in desired format	83%	80%	86%	83%

Activity & Workload Highlights	2002-2003 Actual	2003-2004 Forecast	2003-2004 Estimated	2004-2005 Forecast
Total cost for Financial Reporting services*	\$827,344	\$717,619	\$860,936	\$800,000
Total number of reports provided	2,000	2,000	2,129	2,000
Total number of accurate and on-time reports provided	1,891	1,800	1,952	1,800
Total number of survey responses	388	100	315	300

* Includes only direct costs of producing reports, and excludes costs of administrative functions, customer support functions, and data maintenance associated with report generation.

Strategic Support CSA

Core Service: Financial Reporting *Finance Department*

Performance and Resource Overview (Cont'd.)

Financial Reporting Resource Summary	2002-2003 Actual 1	2003-2004 Adopted 2	2004-2005 Forecast 3	2004-2005 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	\$ 1,275,002	\$ 1,669,824	\$ 1,539,811	\$ 1,539,811	(7.8%)
Non-Personal/Equipment	13,769	11,300	11,100	11,100	(1.8%)
Total	\$ 1,288,771	\$ 1,681,124	\$ 1,550,911	\$ 1,550,911	(7.7%)
Authorized Positions	20.32	17.32	15.02	15.02	(13.3%)

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
NONE			

Strategic Support CSA

Core Service: Fleet and Equipment Services *General Services Department*

Core Service Purpose

Manage operations which provide a safe and reliable fleet of vehicles and equipment.

Key Operational Services:

- ☐ Provide Repair and Maintenance of City Fleet and Equipment
- ☐ Manage Fuel Availability and Distribution
- ☐ Manage the Acquisition and Equipping of the Entire City Fleet

Performance and Resource Overview

The goal of this core service is to provide safe and reliable vehicles and equipment that are readily available for City employees. This core service contributes to the Strategic Support CSA outcome: *Safe and Functional Public Infrastructure, Facilities, Materials and Equipment*.

The primary challenges that this core service faces are the identification of an optimum fleet size and the implementation of modified replacement criteria that maximizes vehicle availability and supports the delivery of City services. In meeting these challenges, Fleet and Equipment Services will continue to identify and provide alternatives to ownership and optimize City resources in the provision of vehicles and equipment to user departments. These alternatives include sharing across departmental lines, short-term rentals, leases, mileage reimbursement and equipment pooling.

A reduction to contractual services and staffing levels was included in this core service, which may increase cycle times for preventative maintenance and repairs, but will be mitigated by the reduced fleet size. Over 80% of fleet services are assigned to support public health and safety. Public health and safety fleet support must take priority; therefore, as fleet support services are reduced, general fleet support may be impacted.

The fleet size is expected to decrease. Fleet Management is currently working with departments to reduce fleet size in a manner that does not disrupt delivery of City services to the community. Vehicles and equipment identified as underutilized are being removed from the departments' inventory and will be considered for expanding facility-specific pools or auctioned. Fleet right-sizing will be an on-going effort. This change will be implemented strategically, so as not to impact critical department resources essential in supporting City programs and services.

2003-2004 was the third consecutive year in which General Fleet vehicle replacements were frozen. The general freeze on purchasing General Fleet vehicles will continue through 2004-2005. The number of non-public safety vehicles in compliance with replacement cycle

Strategic Support CSA

Core Service: Fleet and Equipment Services *General Services Department*

Performance and Resource Overview (Cont'd.)

continues to decrease; however, the criteria for the replacement cycle was changed in 2003-2004. This change in criteria is reflected in the data for this performance measure. When comparing the 2003-2004 Target to the 2003-2004 Estimate, there is a dramatic increase in the percentage of vehicles in compliance due to the change in criteria for replacement. Vehicle replacement was frozen in 2003-2004, therefore the average age of the fleet actually increased. The previous criterion for general fleet light was 10 years old or 100,000 miles and is now 10 years old *and* 100,000 miles. Realignment of replacement cycles for unmarked police vehicles and patrol motorcycles resulted in savings of \$809,000 to the 2004-2005 General Fund Budget.

In 2003-2004, the cost per hour for off-road heavy equipment fluctuated significantly because hour meters were identified as non-operational or were not installed. The anticipated higher utilization tracked by the now operational hour meters were expected to show a reduced cost per hour, which is why the low cost per hour target was projected. However, the cost reflected for heavy equipment was estimated to be much higher because the absence of replacement funding for dredges and scats has resulted in substantial maintenance dollars spent to keep this class of equipment in service.

For 2004-2005, Fleet Management will establish a metered and heavy equipment pool to mitigate the elimination of underutilized equipment. Equipment that is currently assigned to a City department and achieves less than the minimum established hourly or mile utilization standard will be assigned to a fleet facility pool in or near that vehicle's previously assigned area. Pool vehicles will then be dispatched by Fleet Management, used by multiple City departments, and garaged at a designated facility. This effort will remove older vehicles in the fleet, which may result in reduced maintenance, lower operating costs, and increased utilization for the remaining City fleet complement.

A centralized fleet management approach will facilitate interdepartmental sharing opportunities which will have a positive impact on availability while a reduction in fleet support resources combined with an aging fleet will decrease availability.

Cost per mile is not expected to change given the offsetting factors of lack of replacement and shrinking fleet size, resulting in the average fleet age remaining static. Increased utilization of the remaining fleet may result in a decrease in cost per mile in some classes of the fleet.








Performance Measure Development

Due to a change in methodology, the 2004-2005 targets for the “% of service work orders completed within 24 hours” measure have been significantly reduced from 2003-2004 targeted levels. Previously the 24 hour period began when work commenced on a vehicle, whereas under the new methodology, the 24 hour period begins when a vehicle is dropped off for service.

Strategic Support CSA

Core Service: Fleet and Equipment Services General Services Department

Performance and Resource Overview (Cont'd.)

Fleet and Equipment Services Performance Summary		2002-2003 Actual	2003-2004 Target	2003-2004 Estimated	2004-2005 Target
	% of fleet availability by class (of equipment)				
	Police	100%	100%	100%	100%
	Fire	100%	100%	100%	100%
	General Fleet Light	95%	97%	90%	90%
	General Fleet Heavy	89%	92%	89%	85%
	Off Road Light	97%	90%	94%	94%
	Off Road Heavy	94%	88%	93%	93%
	% of fleet that is alternate fuel vehicles	N/A	9.50%	8.80%	8.80%
	% of marked patrol fleet replaced within established utilization criteria**	N/A	48%	44%	44%
	Cost per mile or hours, by class (of equipment)				
	Police	\$0.29	\$0.34	\$0.29	\$0.29
	Fire	\$4.08	\$2.73	\$3.06	\$3.06
	General Fleet Light	\$0.26	\$0.34	\$0.27	\$0.27
	General Fleet Heavy	\$1.20	\$0.98	\$1.15	\$1.15
	Off Road Light	\$10.38	\$8.26	\$6.13	\$6.13
	Off Road Heavy	\$45.17	\$10.15	\$39.92	\$39.92
	% of fleet in compliance with replacement cycle by class (to be replaced/scheduled to be replaced)				
	Police	100%	100%	100%*	100%*
	Fire	100%	100%	100%*	100%*
	General Fleet Light	76%	74%	90%*	87%*
	General Fleet Heavy	64%	62%	89%*	86%*
	Off Road Light	49%	45%	60%*	54%*
	Off Road Heavy	68%	65%	99%*	98%*
	% of service work orders completed within 24 hours				
	preventive maintenance	80%	80%	70%	60%
	repairs	67%	64%	64%	56%
	combined	70%	69%	65%	58%
	% of customers who rate service good or better based on:				
	Timeliness	100%	75%	87%	84%
	Convenience	97%	98%	95%	95%
	Courtesy	100%	100%	97%	97%

* Based on the current size of the fleet and the current replacement criteria. Replacement criteria changed in 2003-2004.

** This measure refers to the percentage of the fleet replaced before reaching the replacement criteria. A low percentage in this category indicates that the city is utilizing its vehicles to the fullest extent possible. The primary reasons vehicles are replaced before reaching the replacement criteria are mechanical failures and wrecks.

Strategic Support CSA

Core Service: Fleet and Equipment Services General Services Department

Performance and Resource Overview (Cont'd.)

Activity & Workload Highlights	2002-2003 Actual	2003-2004 Forecast	2003-2004 Estimated	2004-2005 Forecast
Total number of repair work orders	21,408	19,825	22,500	22,500
Total number of prescribed preventative maintenance work orders	7,843	6,341	7,760	7,610
Total number of vehicles and equipment	2,939	2,648	2,944	2,795

Fleet and Equipment Services Resource Summary	2002-2003 Actual 1	2003-2004 Adopted 2	2004-2005 Forecast 3	2004-2005 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	\$ 6,505,299	\$ 6,696,590	\$ 6,715,157	\$ 6,603,518	(1.4%)
Non-Personal/Equipment	3,013,613	2,925,349	2,910,125	2,527,976	(13.6%)
Inventory	4,808,733	5,602,817	5,676,777	5,676,777	1.3%
Total	\$ 14,327,645	\$ 15,224,756	\$ 15,302,059	\$ 14,808,271	(2.7%)
Authorized Positions	95.00	90.00	83.50	81.50	(9.4%)

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Strategic Support CSA

Core Service: Fleet and Equipment Services General Services Department

Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
SAFE AND FUNCTIONAL PUBLIC INFRASTRUCTURE, FACILITIES, MATERIALS AND EQUIPMENT			
1. Vehicle Maintenance Staffing and Contractual Services	(2.00)	(492,788)	0
<p>This action generates city-wide vehicle maintenance and operations cost savings totaling \$492,788 (\$394,230 in the General Fund), resulting from a reduction to General Services Department staffing and contractual services funding. The \$492,788 represents the savings to the Vehicle Maintenance and Operations Fund. This action eliminates one vacant and one filled Equipment Mechanic Assistant. The contractual services reduction of \$370,000 will be realized through a reduction of \$80,000, which will be achieved through the establishment of a metered/heavy equipment pool. The establishment of the metered/heavy equipment pool will allow the fleet size to be downsized. The remaining \$290,000 reduction will be achieved by in-sourcing certain maintenance activities, such as light duty vehicle alignments. (Ongoing savings: \$502,937)</p>			
<p>Performance Results: Cycle Time Cycle times for preventative maintenance and minor repairs for non-public safety and health vehicles will increase, as this reduction will necessitate more vehicle repair work to be in-sourced. Customer Satisfaction Customer satisfaction may be impacted; however, the impact is anticipated to be minimal due to the reduced fleet size.</p>			
2. Vehicle Maintenance Funding Reduction		(1,000)	0
<p>This action reduces vehicle maintenance and operations costs as a result of eliminating two Equipment Mechanic Assistant positions in the General Services Department and decreasing contractual services funding. The impact of this reduction is a cost savings of \$492,788 city-wide, of which \$394,230 is generated in the General Fund. This action reflects savings in the Vehicle Maintenance and Operations Fund. (Ongoing savings: \$1,000)</p>			
<p>Performance Results: Cycle Time Cycle times for preventative maintenance and minor repairs may increase due to the elimination of staff and reduction in the ability to use contractual services for peak workload periods. Customer Satisfaction Customer Satisfaction may be impacted due to possible cycle time increases; however, they are anticipated to be minimal due to the reduced fleet size.</p>			
2004-2005 Adopted Core Service Changes Total	(2.00)	(493,788)	0

Strategic Support CSA

Core Service: Health and Safety *Employee Services Department*

Core Service Purpose

Provide services that ensure employee health, safety and well-being.

Key Operational Services:

- | | |
|---|---|
| <input type="checkbox"/> Workers' Compensation | <input type="checkbox"/> Return-to-Work |
| <input type="checkbox"/> Proactive Safety Program | <input type="checkbox"/> Employee Health Services |
| <input type="checkbox"/> Ergonomics Program | |

Performance and Resource Overview

A safe and healthy work environment is a vital concern to the City as an employer. The Health and Safety core service is charged with ensuring a safe workplace and healthy employees in compliance with all applicable state and federal regulations related to employee health and safety in the workplace. The Health and Safety core service supports the Strategic Support CSA outcome: *A High Performing Workforce that is Committed to Exceeding Customer Expectations.*

The Employee Health Services (EHS) unit of this core service offers a variety of occupational medical services, such as surveillance and pre-placement physicals as well as Occupational Safety and Health Administration (OSHA) evaluations, all of which are designed to ensure a safe and healthy workforce. As a part of daily business, the City must be in compliance with Federal and Cal/OSHA law, regulations and guidelines. Due to prior-year budget reductions, EHS has limited preventative exams and on-site trainings almost exclusively to legally and contractually mandated testing and physical examinations.

The Workers' Compensation Program's main objective is to ensure injured employees receive adequate and appropriate treatment through an effective claim management process. The treatment plan may include medical treatment, as well as rehabilitation. Additional services include coordination of modified duties for injured employees.

A major focus for staff in 2004-2005 is continuing the Workers' Compensation Cost Containment Program. The next step in the Cost Containment Program is to further develop a culture that promotes safety and injury/accident prevention. Workers' compensation costs are reflected in the City-Wide section of this document. A high priority for staff will be the implementation of new State workers' compensation reform laws (SB 899, SB 228, and AB 227), which will potentially increase benefits while reducing costs. The new laws have over twenty provisions designed to provide effective medical and workers' compensation benefits that Employee Services is developing workplans to implement. A major part of this strategy is to inform and educate unions and employees about the new law.

Strategic Support CSA

Core Service: Health and Safety *Employee Services Department*

Performance and Resource Overview (Cont'd.)

As a result of cost containment and prevention programs implemented, the number of new workers' compensation claims declined from 1,583 in 2001-2002 to 1,407 in 2002-2003, a 12.5% decrease. In the first nine months of this fiscal year, the total number of new claims has decreased by 94 from 1,091 to 997, as compared to the same period in 2002-2003. This represents an 8.6% reduction in the number of new claims from July 2003 to March 2004.

Though claim unit costs have increased, efforts in reducing the number of claims have led to a leveling of overall program costs. The cost of all claims through March of this fiscal year is \$14.9 million as compared to \$14.4 million last year, an increase of \$500,000, or 3.5%. With little control over accelerating medical costs and higher benefits mandated by workers' compensation laws, this slight increase actually reflects significant progress in controlling costs. The Department will continue to work collaboratively with other City departments to foster work environments that are focused on accident and injury prevention. The downward trend in claims is important since approximately 80% of current year claim costs are related to prior years' claims. The City's strategy for reducing workers' compensation costs is to continue reducing claims through prevention programs, while effectively mitigating past claims and costs.

A funding shift for a Safety Analyst was approved. Funding for the Safety Analyst was shifted from the General Fund to the City-Wide Expenses Workers' Compensation Claims appropriation. The costs associated with this funding shift will be absorbed in the Workers' Compensation Claims appropriation from savings gained by this position's efforts in decreasing claim costs.






Performance Measure Development

Performance measures were revised this year to provide a better way of showing the overall effectiveness and efficiency of this outcome. New measures have been added which are in alignment with comparative data from the International City/County Management Association (ICMA).

Strategic Support CSA

Core Service: Health and Safety Employee Services Department

Performance and Resource Overview (Cont'd.)

Health and Safety Performance Summary	2002-2003 Actual	2003-2004 Target	2003-2004 Estimated	2004-2005 Target
 Risk Management training hours per FTE: by Risk Management staff and total	N/A*	N/A*	N/A*	TBD*
 Number of Workers' Compensation claims per 100 FTEs	19	N/A*	18	17.5
 Number of worker days lost per Workers' Compensation claim	24.7	N/A*	20.5	19.9
 Number of worker days lost to injury per FTE	4.7	N/A*	3.9	3.8
 Expenditures for Workers' Compensation Per \$100 of total jurisdiction salaries and benefits	N/A*	N/A*	N/A*	TBD*

* New measure: baseline data to be collected in 2004-2005.

Activity & Workload Highlights	2002-2003 Actual	2003-2004 Forecast	2003-2004 Estimated	2004-2005 Forecast
Number of open workers' compensation claims	4,022	3,900	4,200	4,200
Number of ergonomic evaluations	407	300	300	300
Number of employees trained in safety	806	500	300	300

Health and Safety Resource Summary	2002-2003 Actual 1	2003-2004 Adopted 2	2004-2005 Forecast 3	2004-2005 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	\$ 3,036,135	\$ 2,817,157	\$ 2,789,276	\$ 2,695,590	(4.3%)
Non-Personal/Equipment	547,505	539,845	539,744	539,744	(0.0%)
Total	\$ 3,583,640	\$ 3,357,002	\$ 3,329,020	\$ 3,235,334	(3.6%)
Authorized Positions	34.00	30.50	29.50	29.50	(3.3%)

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Strategic Support CSA

Core Service: Health and Safety *Employee Services Department*

Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
A HIGH PERFORMING WORKFORCE THAT IS COMMITTED TO EXCEEDING CUSTOMER EXPECTATIONS			
1. Safety Analyst Funding Shift		(93,688)	(93,688)
This change will shift funding for a Safety Analyst position in the Employee Services Department from the Department's General Fund appropriation to the Worker's Compensation Claims appropriation in City-Wide Expenses. The costs associated with this funding shift will be absorbed in the Worker's Compensation Claims appropriation from savings gained by this position's efforts in decreasing claim costs. (Ongoing savings: \$93,688)			
Performance Results: No change to service levels will result from this action.			
2004-2005 Adopted Core Service Changes Total	0.0	(93,688)	(93,688)

Strategic Support CSA

Core Service: Initiate and Facilitate Public Facilities and Spaces *The Redevelopment Agency of the City of San José*

Core Service Purpose

Provide sustainable and quality public buildings and spaces.

Key Operational Services:

- | | |
|---|--|
| <input type="checkbox"/> Government Agency Coordination | <input type="checkbox"/> Demolition |
| <input type="checkbox"/> Construction Management | <input type="checkbox"/> Community Collaboration |
| <input type="checkbox"/> Construction Contracting | |

Performance and Resource Overview

The creation of public facilities and spaces is a key element to the success, vitality and promotion of cultural diversity in the Downtown and Neighborhood Business Districts. These public facilities and spaces serve two main purposes:

- To correct blight conditions and encourage pedestrian activity (as seen in neighborhood infrastructure projects such as streetscapes, lighting, sidewalks and utility undergrounding); and
- To bring the community together, instilling pride and improving the quality of life (as seen in projects such as the Guadalupe River Park and Gardens, the José Theatre, the Dr. Martin Luther King, Jr. Library, and the Alum Rock Youth Center).

New public facilities planned for 2004-2005 include the expansion of the Convention Center and a new performing arts theatre located downtown.

The Guadalupe River Park Construction, a flood control project, between Park Avenue and Santa Clara Street is scheduled for completion by the Army Corps of Engineers in December 2004. The Fifth Street promenade in the Civic Plaza began construction in the summer of 2004 to meet the opening date of the New City Hall in 2005.






Performance Measure Development

The quality performance measure was re-written to accurately reflect the actual survey questions on the city-wide survey conducted via telephone interviews. The first cost performance measure was revised to clarify that only completed public projects were measured. The second cost measure was adjusted to indicate the number of projects receiving non-Agency funding versus the total number of public projects. The time measure was changed to track public project conformance to the original construction contract completion date.

Strategic Support CSA

Core Service: Initiate and Facilitate Public Facilities and Spaces *The Redevelopment Agency of the City of San José*

Performance and Resource Overview (Cont'd.)

Initiate and Facilitate Public Facilities and Spaces Performance Summary		2002-2003 Actual	2003-2004 Target	2003-2004 Estimated	2004-2005 Target*
	% of internal (facility managers) and external customers (users) who rate the quality (design, function and materials) of the project as good or excellent on a 5-point scale**	67%	75%	75%	N/A
		internal	internal	internal	internal
		85%	90%	90%	N/A
		external	external	external	external
	% of completed Agency-assisted public projects that are no more than 10% above the construction budget award	100%	100%	100%	N/A
	Number of projects with non-Agency funding	8 of 29	5 of 21	4 of 6	N/A
	Number and % of Agency-assisted public projects completed within 10% of the original construction contract completion date	89% (16 of 18)	100% (8 of 8)	100% (6 of 6)	N/A N/A
	% of San José residents who rate the job being done redeveloping downtown San José as an attractive and economically viable city center as good or excellent on a 5-point scale	58%	75%	75%	N/A

* In the absence of the revenue estimates needed for a capital projects program, no targets are included for 2004-2005. When new property assessment figures become available and the State Budget has been adopted, targets for 2004-2005 will be developed.

** Based upon survey results from attendees of neighborhood associations, Neighborhood Advisory Committees, and facility managers.

Strategic Support CSA

Core Service: Initiate and Facilitate Public Facilities and Spaces *The Redevelopment Agency of the City of San José*

Performance and Resource Overview (Cont'd.)

Activity & Workload Highlights	2002-2003 Actual	2003-2004 Forecast	2003-2004 Estimated	2004-2005 Forecast*
% of public projects rated good or excellent on a 5-point scale	85% Visitors 67% Facility Mgrs	90% Visitors 75% Facility Mgrs	90% Visitors 75% Facility Mgrs	N/A N/A
Number of completed public projects within 10% of approved construction budget	18 of 18	8 of 8	6 of 6	N/A
Number of public projects with non-Agency funding	8 of 29	5 of 21	4 of 6	N/A
Public projects completed and opened within 10% of the original construction contract completion date	16 of 18	8 of 8	4 of 6	N/A

* In the absence of the revenue estimates needed for a capital projects program, no targets are included for 2004-2005. When new property assessment figures become available and the State Budget has been adopted, targets for 2004-2005 will be developed.

Initiate and Facilitate Public Facilities and Spaces Resource Summary	2002-2003 Actual 1	2003-2004 Adopted 2	2004-2005 Forecast 3	2004-2005 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	\$ 4,287,340	\$ 2,184,630	\$ 2,216,539	\$ 1,328,265	(39.2%)
Non-Personal/Equipment	5,561,741	2,324,281	2,645,880	1,389,518	(40.2%)
Total	\$ 9,849,081	\$ 4,508,911	\$ 4,862,419	\$ 2,717,783	(39.7%)
Authorized Positions*	42.00	21.00	21.00	12.00	(42.9%)

* The San José Redevelopment Agency (SJRA) budget is listed for display purposes only in the City's Operating Budget. For more information on the SJRA budget, please refer to the SJRA Operating Budget document.

Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
NONE			

Strategic Support CSA

Core Service: Materials Management *General Services Department*

Core Service Purpose

To provide quality products and services in a cost-effective manner.

Key Operational Services:

- | | |
|---|---|
| <input type="checkbox"/> Central Services | <input type="checkbox"/> Records Services |
| <input type="checkbox"/> Warehouse Services | |

Performance and Resource Overview

Materials Management is provided on a daily basis to all City departments, enabling them to meet customer needs. Materials Management contributes directly to the Strategic Support CSA outcome: *Safe and Functional Public Infrastructure, Facilities, Materials and Equipment*. The goal of this core service is to provide timely and reliable services so customers get what they need, when they need it.

Central Services include the Mail Room, Copy Center, Surplus Goods Management, Moving Services, and Recycling Services. Records Services (paper and electronic documents) include Retention Schedules, Vital and Historic Records, Inactive Records Storage, and Historic Resources. Warehouse Services include Stores, Central Receiving and Delivery for both scheduled, interdepartmental routing and ad hoc drayage of large items. Materials Management contributes to all City Service Areas by providing support services that enable departments to meet their service delivery goals to residents.

As anticipated, Central Services had an active role in 2003-2004 by participating in sub-committees for space design, facilities management, warehouse delivery, and mailroom planning for the New City Hall. The reduction of an Archivist position in this core service will limit the Division's ability to facilitate the completion of City retention schedules in an accurate and timely manner. The future of the Records Information Management program, such as conversion to electronic records, may also be affected by the elimination of the position.

The automated warehouse system was successfully deployed in 2003-2004 and has proven to be an effective streamlining tool for improving cycle time, inventory accuracy, and accounting efficiencies. The Warehouse section conducts on-going analyses of all commodities stored on-site to determine the potential for inventory consolidation, cost savings and supplier direct shipping. As a result of this analysis, as well as consultation with key customers, numerous commodities have been consolidated and the standing inventory has been reduced by approximately 20%. Warehouse staff






Strategic Support CSA

Core Service: Materials Management *General Services Department*

Performance and Resource Overview (Cont'd.)

has analyzed the Environmental Protection Agency friendly commodity list and has initiated a replacement strategy for more environmentally friendly products.

There are multiple factors that contribute to the 2003-2004 Estimate for “Dollars recovered from surplus sales and reuse” falling short of the 2003-2004 Forecast level. In 2003-2004, the Police property warehouse underwent a move and surplus operations were curtailed during the transition. In addition, due to the continued freeze on vehicle replacement, fewer vehicles are being categorized as surplus.

Materials Management Performance Summary	2002-2003 Actual	2003-2004 Target	2003-2004 Estimated	2004-2005 Target
 % of time customers get what they want	96%	95%	98%	95%
 % of customers who rate services good or better based on quality, timeliness, and cost	94%	95%	96%	95%
 % of packages delivered in one day	97%	95%	97%	95%
 Operating Budget for Materials Management divided by the number of requests completed and packages delivered per year*	N/A	N/A	\$27.12	\$25.50
 % of time the request is completed within established time periods	96%	95%	93%	95%

* New performance measure for 2003-2004.

Activity & Workload Highlights	2002-2003 Actual	2003-2004 Forecast	2003-2004 Estimated	2004-2005 Forecast
Dollars recovered from surplus sales and reuse	\$292,536	\$500,000	\$150,000	\$150,000
Number of materials/service requests received	18,832	20,700	17,492	20,700
Number of packages delivered	58,708	31,500	40,225	42,000

Strategic Support CSA

Core Service: Materials Management General Services Department

Performance and Resource Overview (Cont'd.)

Materials Management Resource Summary	2002-2003 Actual 1	2003-2004 Adopted 2	2004-2005 Forecast 3	2004-2005 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	\$ 1,126,629	\$ 1,213,579	\$ 1,202,139	\$ 1,143,132	(5.8%)
Non-Personal/Equipment	304,868	351,756	351,630	351,631	(0.0%)
Total	\$ 1,431,497	\$ 1,565,335	\$ 1,553,769	\$ 1,494,763	(4.5%)
Authorized Positions	18.55	18.55	17.55	16.55	(10.8%)

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
SAFE AND FUNCTIONAL PUBLIC INFRASTRUCTURE, FACILITIES, MATERIALS, AND EQUIPMENT			
1. Materials Management Staffing Levels	(1.00)	(59,006)	(59,006)
This action eliminates a filled Warehouse Worker. This position performs general warehouse work at the Central Service Yard Warehouse. (Ongoing savings: \$64,381)			
Performance Results:			
Cycle Time The duties of this position will have to be absorbed by existing staff. Once the New City Hall comes online, the loss of this position will have service impacts in cycle time for receiving, vendor control, mail services, and delivery.			
2004-2005 Adopted Core Service Changes Total	(1.00)	(59,006)	(59,006)

Strategic Support CSA

Core Service: Network & Communication Services *Information Technology Department*

Core Service Purpose

Enable the availability and relevancy of data, voice, and radio communications.

Key Operational Services:

☐ Communications Equipment Management

☐ Application Assessment and Support

Performance and Resource Overview

The purpose of the Network and Communication Services Core Service is to provide and manage communication services (i.e. data, voice, and radio) that enable internal and external customers to connect to City systems. This core service contributes to the Strategic Support CSA's outcome: *Effective Use of State-Of-The-Art Technology*.

In 2003-2004, the Department achieved a performance level of 99.82%, 100%, and 99.93% for central network, telephone, and mobile radio availability, respectively, under the following business hours; Network: Monday through Friday 24 hours per day, and Saturday and Sunday 6:00 a.m. to 6:00 p.m.; Telephone and Mobile Radio: 7 days a week/24 hours a day utilizing standby callback. The 2004-2005 performance target for customer satisfaction on availability of network services was lowered from 90% to 80% based on staff reductions. Since night/swing shifts were eliminated for 2004-2005, system back-ups normally done during night/swing shifts will be completed during regular business hours, resulting in reduced access to enterprise systems.

For 2003-2004, the Department's target for the performance measurement of mobile radio repair requests completed within three days of receipt of repair order was set at 80%. The performance level for 2003-2004 was above the target level at 81.33%. In addition, the Department estimated that 97.07% of communication work orders were resolved within three days of receipt of the work order, well above the target of 80% for 2003-2004. Finally, in the area of preventative maintenance, the Department estimated that 85%, 41.07% and 63.23% of annually scheduled maintenance work was completed in 2003-2004 for public safety systems, non-public safety systems and public safety mobile equipment, which were targeted at 90%, 70%, and 80%, respectively. The decrease was attributable to a reduction of four positions (three Communications Technicians and one Communications Installer) in the Radio Shop since October 2002. Because remaining resources must be focused on Public Safety systems, the performance measure for preventative maintenance of non-public safety systems was lowered from 70% to 40%.

In the area of network services, two major projects took place during 2003-2004. First, network technology and equipment improvements were implemented, including firewalls, authentication

Strategic Support CSA

Core Service: Network & Communication Services *Information Technology Department*

Performance and Resource Overview (Cont'd.)

servers and secure web-based access technology. This project was completed in the first quarter of 2003-2004. Second, fiber cabling and an ethernet network in the old Martin Luther King Library (oMLK) building were installed to enable interdepartmental access. By improving technology capability in the oMLK building, IT staff ensured that information could be retrieved from various departments. This project was completed in the second quarter of 2003-2004.

The Department provides telecommunications support for numerous departments, including: office moves and system upgrades for the Police, Fire, and Public Works Departments; and the Joint Library and Airport Master Plan-related initiatives. Other projects included retrofitting the old Martin Luther King building, consolidating and upgrading systems for the Parks, Recreation and Neighborhood Services Department, relocating Animal Care Services to a new building, and planning the on-going transition to the New City Hall.

The average duration of network outages during normal business hours in 2003-2004 was estimated at five hours, compared with a forecast of three hours. This was largely due to external factors, most notably, the Welchia virus in August 2003. Once detected, staff isolated subnets and Wide Area Network (WAN) connections from the core network, blocked broadcasts, and strategically re-initiated access to departments after careful evaluation. Approximately 130 staff hours and 17 overtime hours were incurred and the full cleanup process took two weeks. Estimated total staff time associated with the virus, including the network, servers, and desktop support, was approximately 500 person hours. The Department continues to seek ways to mitigate the City's vulnerabilities related to network security in order to improve network availability.

The 2003-2004 Adopted Operating Budget included the transfer of telephone budgets from the Department's non-personal/equipment appropriation to the relevant client departments. The Department retained the ordering and payment duties for cell phones in the first three quarters of the year to ensure continuity. Thereafter, these duties were transferred to departments. As compared to 2002-2003, City-wide cell phone cost savings for the first 3 quarters of 2003-2004 exceeded the 5% cost savings goal.

Approximately 70% of the Information Technology Department's approved budget reductions reside in this core service. These reductions primarily involved the elimination of vacant and filled positions that administratively supported operations or facilitated 24x7 support of the network and enterprise applications. In addition, non-personal/equipment reductions were made in the area of supplies and maintenance. Compared to 2003-2004, performance measures related to response time in providing service to customers were lengthened and performance measures related to network availability were reduced. Therefore, the 2004-2005 customer satisfaction performance target for network services availability was lowered from 90% to 80%.

In February 2004, the Mayor directed the elimination of 100 vacant positions. In response to this direction, three positions (Communications Technician, Senior Computer Operator, and Account Clerk) were eliminated from this core service. Elimination of these positions reduced the Department's capacity to perform projects, conduct preventative systems maintenance, and provide

Strategic Support CSA

Core Service: Network & Communication Services *Information Technology Department*






Performance and Resource Overview (Cont'd.)

technical support and troubleshooting on a 24x7 basis.

The Department recognizes the need for an accurate inventory of telephone and network equipment by using an asset management system. The need for an asset management system was first identified in 2002-2003 but not implemented due to previous budget reductions. The New City Hall project provided an opportunity to obtain an accurate inventory of telephone and network equipment and to implement an asset management system. When the inventory was completed, the Department established a preventative maintenance program and selected an asset management system. For 2005-2006 the Department will establish telephone and network performance measures that include the scope of work involved to support the New City Hall.

Performance Measure Development

The Strategic Support CSA is in the process of evaluating its current structure in hopes of consolidating and reducing the number of core services that align to this CSA. The core service performance measures are being reviewed and, if necessary, will be altered to accurately reflect and measure the services contained within the new core service.

Network & Communication Services Performance Summary	2002-2003 Actual	2003-2004 Target	2003-2004 Estimated	2004-2005 Target
 % of network services available during normal business hours				
- Central network	99.43%	98%	99.82%	98%
- Telephones	100%	100%	100%	100%
- Mobile radios (24 hrs/day, 7 days/wk)	99.30%	98%	99.93%	98%
 % of mobile radio repair requests completed within 3 days of receipt of repair order	72.08%	80%	81.33%	80%
 % of communication work orders resolved within 3 days of receipt of repair order	98.31%	80%	97.07%	80%
 % of scheduled preventative maintenance inspections completed annually				
- Public Safety systems	90.25%	90%	85%	90%
- Non-Public Safety systems	64.33%	70%	41.07%	40%
- Public Safety – mobile	71.88%	80%	63.23%	80%
- Telephones*	-	TBD	TBD	TBD
- Network equipment*	-	TBD	TBD	TBD
 % of total customer response with good or excellent rating on availability of network services	75%	90%	74%	80%

* To be developed in 2004-2005 for implementation in 2005-2006.

Strategic Support CSA

Core Service: Network & Communication Services Information Technology Department

Performance and Resource Overview (Cont'd.)

Activity & Workload Highlights	2002-2003 Actual	2003-2004 Forecast	2003-2004 Estimated	2004-2005 Forecast
Number of network outages	5	4	1	4
Number of telephones	7,032	7,100	7,325	7,500
Number of mobile radios	1,800	2,000	1,086	1,300
Number of mobile radio repair requests	3,005	3,200	3,012	3,200
Number of communication repair orders	1,864	1,600	1,276	1,500
Number of network outages during normal business hours	5	4	1	4
Average time of network outages during normal business hours	19 hours	3 hours	5 hours	3 hours

Network and Communication Services Resource Summary	2002-2003 Actual 1	2003-2004 Adopted 2	2004-2005 Forecast 3	2004-2005 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	\$ 3,724,619	\$ 3,971,659	\$ 3,609,758	\$ 3,297,437	(17.0%)
Non-Personal/Equipment	4,194,311	1,945,674	1,939,074	1,638,124	(15.8%)
Total	\$ 7,918,930	\$ 5,917,333	\$ 5,548,832	\$ 4,935,561	(16.6%)
Authorized Positions	45.13	41.48	36.28	31.78	(23.4%)

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Strategic Support CSA

Core Service: Network & Communication Services *Information Technology Department*

Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
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EFFECTIVE USE OF STATE-OF-THE ART TECHNOLOGY

1. Information Technology Staffing	(4.50)	(312,321)	(262,054)
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This action eliminates 3.5 filled positions (1.0 Enterprise Network Engineer, 1.0 Senior Computer Operator, 1.0 Computer Operator, 0.5 Office Specialist), 1.0 vacant Communications Installer position and redeploys capital funds to support 0.25 of an existing Communications Technician position. The positions facilitated 24x7 support of the network and enterprise applications as well as provided administrative support for the department. (Ongoing savings: \$333,030)

Performance Results:

Cycle Time, Customer Satisfaction Prioritization of workload will need to occur and some projects may be delayed until higher prioritized projects are completed. Response time to customer requests will be lengthened causing decreased customer satisfaction. Night/swing shifts will be eliminated and network availability reduced. System back-ups normally done during the night/swing shifts will be done during regular business hours, resulting in reduced access to enterprise business systems (i.e. FMS, Peoplesoft, email). Preventative maintenance will be greatly reduced, adversely impacting the equipment life and accelerating the need for communication equipment replacement in the capital program. The 2004-2005 performance targets related to network services customer satisfaction and non-public safety system preventative maintenance have been lowered to reflect these impacts.

2. Desktop Telephone and Maintenance Efficiencies	(150,200)	(150,200)
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This action realizes savings from a recently negotiated reduction to carrier access charges for City telephones. In addition, this action reduces the level of maintenance and support provided to departments for desktop telephones. As a result, repairs/replacements will be handled in-house with recycled equipment. Public Safety and Airport desktop telephone maintenance will remain unchanged. (Ongoing savings: \$150,200)

Performance Results:

Cycle Time, Customer Satisfaction Changes to cycle times for minor repairs and customer satisfaction levels are anticipated to be negligible.

Strategic Support CSA

Core Service: Network & Communication Services Information Technology Department

Budget Changes By Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
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EFFECTIVE USE OF STATE-OF-THE ART TECHNOLOGY (CONT'D.)

3. Software/Hardware Technology Efficiencies* (59,000) (59,000)

This action eliminates parts and services for repair and maintenance of laptops in public safety vehicles. With the replacement of vehicle laptops through the Communications Capital Program, it is anticipated that post warranty maintenance for laptops will no longer be required. In addition, outside services for manual timecard data entry have been eliminated. Due to the implementation of electronic data capture systems, the number of paper timecards that require manual data entry has been reduced. Implementation of this action generates 2003-2004 General Fund savings of \$59,000. (Ongoing savings: \$59,000)

Performance Results:

Quality No impact to current levels of service are anticipated due to the small number of older laptops remaining in public safety vehicles. In addition, the number of timecards that currently require manual data entry can be accommodated with existing City staff. However, back-up services may need to be procured on an emergency basis.

4. Network and Communication Supplies Efficiencies (65,143) (65,143)

This action reduces supplies that support network and telecommunications. Recycling of network parts and offices supplies will be necessary to absorb this reduction. (Ongoing savings: \$65,143)

Performance Results:

Cycle Time Projects may be delayed to avoid the purchase of new parts.

5. Cellular Telephone Service Cost Efficiencies (19,756) (19,756)

This action reduces the cost of cellular telephone service by 15% as a result of purchasing cellular telephone services and equipment under the Western States Consortium Agreement (WSCA) and optimizing rate plans to avoid overage charges. The impact of this reduction is a cost savings of \$254,372 city-wide, of which \$204,296 is generated in the General Fund. The cost savings in the Information Technology Department, Network and Communication Services Core Service, is \$19,756. (Ongoing savings: \$19,756)

Performance Results:

Quality No change to service levels will result from this action.

6. Technology Supplies and Materials Efficiencies (4,851) (4,851)

This action corrects the use of special funds to be applied to non-personal expenditures that support special funded responsibilities and reduces the General Fund by the same amount. (Ongoing savings: \$4,851)

Performance Results:

Quality No change to service levels will result from this action.

Strategic Support CSA

Core Service: Network & Communication Services *Information Technology Department*

Budget Changes By Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
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EFFECTIVE USE OF STATE-OF-THE ART TECHNOLOGY (CONT'D.)

7. Vehicle Maintenance Funding Reduction (2,000) (2,000)

This action reduces vehicle maintenance and operations costs as a result of eliminating two Equipment Mechanic Assistant positions in the General Services Department and decreasing contractual services funding. The impact of this reduction is a cost savings of \$492,788 city-wide, of which \$394,230 is generated in the General Fund. The cost savings in the Information Technology Department, Network and Communications Core Services is \$2,000. (Ongoing savings: \$2,000)

Performance Results

Cycle Time Cycle times for preventative maintenance and minor repairs may increase due to the elimination of staff and reduction in the ability to use contractual services for peak workload periods.

Customer Satisfaction Customer satisfaction may be impacted due to possible cycle time increases, however, they are anticipated to be minimal due to the reduced fleet size.

2004-2005 Adopted Core Service Changes Total	(4.50)	(613,271)	(563,004)
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* This action was included in the 2004-2005 Proposed Operating Budget: Accelerated Proposals memorandum approved by City Council on May 4, 2004.

Strategic Support CSA

Core Service: Plan, Design and Construct Public Facilities and Infrastructure *Public Works Department*

Core Service Purpose

Plan, design and construct public facilities and infrastructure.

Key Operational Services:

- | | |
|--|--|
| <input type="checkbox"/> Airport Infrastructure | <input type="checkbox"/> Streets and Transportation Facilities |
| <input type="checkbox"/> Parks and Recreation Facilities | |
| <input type="checkbox"/> Public Buildings | <input type="checkbox"/> Storm Sewers and Sanitary Sewers |

Performance and Resource Overview

Public Works Department responsibilities in this core service focus on the plan, design and construction of public facilities and infrastructure. This core service supports a number of other City Service Areas (CSAs), including Aviation Services, Transportation Services, Recreation and Cultural Services, and Environmental and Utility Services. It is a primary partner in the Strategic Support CSA and supports the following outcome: *Safe and Functional Public Infrastructure, Facilities, Materials and Equipment*.

During this time of economic uncertainty, the core service continues to meet the challenge of delivering quality capital and bond projects that meet the needs and expectations of San José residents. A growing City population requires expanded air travel capacity, improvements in highway and rail transportation, sewer lines, new and improved recreational facilities, and public buildings to house staff to provide City services.

In 2004-2005 it is anticipated that the Public Works Department will manage \$254 million in projects. These projects include the ongoing construction of the New City Hall and library, parks and public safety bond-funded projects. The continuing economic downturn will, however, present challenges in 2004-2005, as the City attempts to balance the demand for public improvement projects with decreasing resources. Selected tax revenues, such as the Construction Excise Tax and Building and Structure Construction Tax, that support the capital improvement program have experienced significant declines, which have impacted the level of funding available for capital projects. Despite these declines, the core service continues to focus on the effective delivery of capital improvement projects within completion targets and budgeted amounts, as indicated to the City Council.

The impact of the economy on the capital program is reflected through the reduction in the number of capital-funded positions in this core service. For 2004-2005, 32.0 positions were eliminated or redeployed to other non-capital programs. This represents a 19.2% reduction in the number of capital-funded positions in this core service. The impact of these reductions on the capital

Strategic Support CSA

Core Service: Plan, Design and Construct Public Facilities and Infrastructure *Public Works Department*

Performance and Resource Overview (Cont'd.)

program is, however, expected to be minimal as these reductions align with anticipated workload reductions in the capital program.

The performance measures for this core service reflect the importance of delivering construction projects within agreed-upon costs, quality, and time frames to the customers, while keeping staffing costs as low as possible. As described in the 2003-2004 Adopted Budget, a new set of performance measures replaced all the older measures beginning in 2003-2004. This change was necessary to align the core service's performance measures with newly defined CIP measures. Only the previous customer satisfaction measure has been retained to provide a continuous set of data on customer service. Baseline data and performance targets for some of the new measures have been established during the course of the year and are presented in this document. The established city-wide performance target for on-time capital project delivery (85%) has been used as a basis for establishing the core service and operational service targets for the on-time measure.

The following are descriptions and/or activities for 2004-2005 in each of the operational services within the Plan, Design, and Construct Public Facilities and Infrastructure core service.

Airport Infrastructure

The Public Works Department contributes to the implementation of the Airport Master Plan by providing engineering and construction management services related to the implementation of the Airport Capital Improvement Program. The Airport Infrastructure Operational Service contributes primarily to the following two Aviation Services CSA outcomes: *The Airport is the Region's First Choice for Air Transportation Services* and *Travelers Have a Positive Guest Experience While Using the Airport*.

The Airport Capital Improvement Program (CIP) reflects a significant reconsideration of how the implementation of the Airport Master Plan is approached, as staff attempts to address Federal legislation that imposed a number of new security mandates that will require a significant capital investment. Funding priorities for the 2005-2009 Adopted CIP include funding to implement the North Concourse building and other security projects. The current focus of the CIP is to develop an airport that meets the requirements set for security as well as customer and community needs.

In March 2003, San José voters approved Measure A, the Airport Security and Traffic Relief Act (ASTRA), setting the policy direction for Airport expansion. The first step is to proceed with the planning, financing and construction phasing of the North Concourse Building project. On a parallel track are the projects to improve access to and from the Airport. The City's priority is to build an airport that improves customer service and provides a permanent solution for federally-mandated security directives, while remaining committed to improving transportation access to the Airport.

Strategic Support CSA

Core Service: Plan, Design and Construct Public Facilities and Infrastructure *Public Works Department*

Performance and Resource Overview (Cont'd.)

Parks and Recreation Facilities

The Parks and Recreation Facilities Operational Service contributes to the Strategic Support outcome *Safe and Functional Infrastructure, Facilities, Materials and Equipment*, and also supports the Recreation and Cultural Services CSA outcome *Safe and Clean Parks, Facilities and Attractions*. The creation of the Parks and Recreation Facilities Division in 2000-2001 allowed the Public Works Department to focus efforts on meeting the growing demands of delivering parks and recreation bond projects in partnership with the Parks, Recreation and Neighborhood Services Department. In 2003-2004, 24 neighborhood park projects were completed. The two remaining neighborhood park projects are scheduled for completion in 2004-2005. Eleven regional park, trail, and sports park projects are also in the design or construction phases. Additionally, four community center projects are under construction and another four are in progress. Existing 2003-2004 staff support will be adequate to meet the aggressive yet declining construction management schedule and demands of bond-funded projects. Staff adjustments will be directed to focus on the remaining larger, more complex projects in order to provide effective project management support to this critical capital program during 2004-2005. It is the goal of the Department to ensure that all 23 remaining park bond-funded projects, included in the 2005-2009 Adopted CIP with a total estimated budget of \$151.2 million, are delivered on time and on budget.

A new performance measure for cycle time was developed for all capital projects beginning in 2003-2004. For the park bond projects, the estimated percentage of completed projects that are delivered within two months of approved baseline schedule during 2003-2004 was 70%.

Public Buildings

The Public Buildings Operational Service supports the Strategic Support outcome *Safe and Functional Public Infrastructure, Facilities, Materials and Equipment*. The Public Works Department is responsible for the oversight and construction of public facilities such as branch libraries, air terminals, fire stations and an animal shelter facility. The voters approved the Park and Library Bond Measures in November 2000. The 10-year Library bond program will consist of \$212 million in library bonds to support the construction of six new branch libraries and the expansion/relocation of 14 existing branch libraries. The Library Bond Program is in its fourth year of implementation. The Vineland Branch Library grand opening was held in January, 2004. Vineland provides many community services including an Internet Café, Tech Center, and programs for children and adults. Construction has started on the Berryessa, Tully, Alum Rock, and Rose Garden branch libraries and the Almaden Joint Community Center and Library. Five other branches - Evergreen, Hillview, Cambrian, Edenvale and Joyce Ellington - are currently in the design phase.

Among the City buildings under development, one of the most major efforts involves the construction of the New City Hall. The New City Hall includes approximately 530,000 square feet and will be constructed on a 4.9-acre site located on the south side of East Santa Clara Street, between 4th and 6th Streets. Major components include an 18-story office tower, a council chamber wing, an open public plaza with a rotunda, plus a 372-vehicle underground

Strategic Support CSA

Core Service: Plan, Design and Construct Public Facilities and Infrastructure *Public Works Department*

Performance and Resource Overview (Cont'd.)

Public Buildings (Cont'd.)

parking garage to serve the visiting public and some staff.

The finished facility will house up to 1,950 City staff from a variety of departments. The New City Hall is intended to be a signature building for the City. The project also includes an off-site 1,128-vehicle employee-parking garage located on St. John Street, between 4th and 5th Streets. The design phase of this project has produced construction documents and the first contract was awarded in July 2002. Groundbreaking and initial construction began in August 2002. Bids and awards of additional prime contracts will continue through Summer 2004, with occupancy planned for mid-2005. The Civic Center project budget includes \$343 million for the construction of the Civic Center facility, which includes the on-site parking facility and the construction of the off-site parking facility.

San José voters approved the Neighborhood Security Act Bond Measure in March 2002. The bond measure provides \$159 million to fund capital improvements in the Public Safety CSA. These projects include the construction of a South San José Police Substation, four community policing centers, a Public Safety driver training facility, and improvements to the 9-1-1 Communications Dispatch Center. The program also includes the remodel of seventeen fire stations, the relocation of six fire stations, the construction of three new stations, and a new Fire Training Center. This bond measure began its third year of implementation in July 2004. The first project, Phase I of the Central Community Policing Center located in the Alviso area, was completed in October 2003 and entailed the exterior renovation of the main building on the property which houses the community policing center. Construction also began on three of the Fire Station upgrades in the second quarter of 2003-2004 with a fourth awarded in the fourth quarter. Extensive remodeling of Fire Stations 3, 4, and 26 is scheduled for completion during 2004-2005. Property acquisition activities are progressing on three fire station projects and staff continues to evaluate additional sites for the remainder of Police and Fire projects requiring land. Through 2004-2005, staff will also be focused on the remaining fire upgrade projects. The combination of new staff approved in the 2002-2003 budget, combined with existing Department resources, redeployed for this purpose, will ensure timely delivery of this high priority program while maintaining ongoing support to other projects in the Adopted Capital Budget.

Streets and Transportation Facilities

The Streets and Transportation Facilities Operational Service supports the Transportation CSA outcomes *Provide Viable Transportation Choices* and *Preserve and Improve Transportation Assets to Enhance Community Liability*. Eight years ago, the City began to address the deteriorated pavement condition, and until recently, expenditures on street maintenance were guided by a 10-Year Street Maintenance Recovery Plan. From 1997 to 2002 the percentage of streets rated in “fair or better” condition rose

Strategic Support CSA

Core Service: Plan, Design and Construct Public Facilities and Infrastructure *Public Works Department*

Performance and Resource Overview (Cont'd.)

Streets and Transportation Facilities (Cont'd.)

from 86.2% to 93.4%. Due to the current economic challenge and recent funding reductions, it is now estimated that over the next five years, this figure will drop to 70% of street pavement surfaces in fair or better condition.

Staff has been successful in delivering a combination of Street Lighting and Traffic Signal Projects. During 2003-2004, approximately 400 new streetlights were installed and approximately 200 existing streetlights were upgraded. During 2003-2004 the traffic signal team completed a total of 40 signal projects initiated through City funding (22) and private development (18). However, due to funding constraints in the Traffic Capital Program, the level of funding for street lighting projects has been significantly reduced beginning in 2004-2005.

Storm Sewers and Sanitary Sewers

The Storm Sewers and Sanitary Sewers Operational Service supports the Environmental and Utility Services CSA outcome *Reliable Utility Infrastructure*. The 900-mile long Storm Sewer System collects storm water, separate from the Sanitary Sewer System, and conveys it to nearby creeks and rivers. Major future work efforts for the Storm Program will be the construction management of the Albany-Kiely Storm Drainage Improvement, Phase II, Chateau Drive Storm Drain Improvement Phase I, and neighborhood storm drain improvement projects. All of these projects will include the installation of technology and infrastructure that is designed to improve the water quality and runoff to creeks and rivers. The third and final year of a rate increase approved in the 2002-2003 budget will continue to provide funding support for capital improvements in the Storm Sewer System in 2004-2005. Total funding of \$12.5 million is included in the 2005-2009 CIP, of which \$7.7 million is allocated for 2004-2005. Though the rate increase will allow the City to address some of the City's storm sewer needs, additional investments in storm drainage improvement projects will be necessary to address the numerous outstanding needs that still remain. To continue a modest investment in the capital infrastructure and ensure the fiscal health of the Storm Sewer Operating Fund, an additional 4.5% rate increase for the 2005-2006 and 2007-2008 period will be brought forward for Council consideration next year.

The Sanitary Sewer System consists of approximately 2,000 miles of sewer mains ranging in diameter from 6 to 90 inches. The system serves the City, as well as three other jurisdictions, and conveys sewage to the San José/Santa Clara Water Pollution Control Plant (WPCP). The value of the system is estimated at \$1 billion. Expenditures for Sanitary Sewer projects are forecasted to total \$110.7 million over the next five years, of which \$44.3 million is allocated in 2004-2005. Program funding is allocated to construct sewer improvement projects that either enhance sewer capacity in substantially built-out areas or rehabilitate existing sewers, with higher priorities given to those with extensive, severe deterioration. The majority of program funding (\$78.6 million) will be focused on






Strategic Support CSA

Core Service: Plan, Design and Construct Public Facilities and Infrastructure *Public Works Department*

Performance and Resource Overview (Cont'd.)

Storm Sewers and Sanitary Sewers (Cont'd.)

high priority rehabilitation projects over the next 5 years. Within the Sanitary Sewer Program, rehabilitation projects are selected based on studies, maintenance records and reports, and actual pipe failures. Major rehabilitation projects include the 60" Brick Interceptor and the 84" Reinforced Concrete Pipe Interceptor projects. In addition, major Sanitary Sewer projects in the 2005-2009 Adopted CIP continue to be those related to the construction and/or rehabilitation of the North San José Interceptor System. In recognition of City Council attention to neighborhood services, additional emphasis is being given to the study, design and implementation of neighborhood serving sanitary sewer rehabilitation projects over the next five years to support the improvement of local neighborhood sewer systems. In addition, projects that reduce the inflow and infiltration of water to the sewage delivered to the WPCP continue to be emphasized in the Sanitary Sewer System, subject to budgetary constraints. These projects help reduce the volume of sewage that is delivered to the WPCP.

Plan, Design and Construct Public Facilities and Infrastructure Performance Summary		2002-2003 Actual	2003-2004 Target	2003-2004 Estimated	2004-2005 Target
	% of delivered projects that attain established design and construction goals	-	-	TBD*	TBD
	% of projects completed within the approved baseline budget	-	-	TBD**	90%
	% of Public Works costs (exclusive of citywide overhead) for the design and construction phases of a project compared to total construction costs for completed projects:				
	Less than \$500,000	-	-	TBD**	TBD
	Between \$500,000 and \$3M	-	-	TBD**	TBD
	Greater than \$3M	-	-	TBD**	TBD
	% of projects with duration between Design Start and Beneficial Use that are delivered within two months after approved baseline schedule	-	-	75%	85%
	% of customers rating design and construction services as good or excellent based on accuracy, timeliness, and quality of final product	83%	80%	80%	80%






* New survey form developed. Baseline data collection will continue in 2004-2005.

** Baseline data collection will continue in 2004-2005.

Strategic Support CSA

Core Service: Plan, Design and Construct Public Facilities and Infrastructure *Public Works Department*

Performance and Resource Overview (Cont'd.)

Selected Operational Measures	2002-2003 Actual	2003-2004 Target	2003-2004 Estimated	2004-2005 Target
 Operational Service: Airport Infrastructure % of projects with duration between Design Start and Beneficial Use that are delivered within two months after approved baseline schedule*	-	-	50%	85%
 Operational Service: Parks and Recreation Facilities % of projects with duration between Design Start and Beneficial Use that are delivered within two months after approved baseline schedule*	-	-	70%	85%
 Operational Service: Public Buildings % of projects with duration between Design Start and Beneficial Use that are delivered within two months after approved baseline schedule*	-	-	100%	85%
 Operational Service: Streets and Transportation Facilities % of projects with duration between Design Start and Beneficial Use that are delivered within two months after approved baseline schedule*	-	-	67%	85%
 Operational Service: Storm Sewers and Sanitary Sewers % of projects with duration between Design Start and Beneficial Use that are delivered within two months after approved baseline schedule*	-	-	90%	85%

* New performance measures introduced in 2003-2004.

Activity & Workload Highlights	2002-2003 Actual	2003-2004 Forecast	2003-2004 Estimated	2004-2005 Forecast
Number of construction projects delivered	-	-	125	101
Total construction cost of projects*	-	-	\$131,921,180	\$469,356,682

* For multi-year projects, the total construction costs are reflected in the year the project is completed rather than spread over multiple years.

Strategic Support CSA

Core Service: Plan, Design and Construct Public Facilities and Infrastructure *Public Works Department*

Performance and Resource Overview (Cont'd.)

Plan, Design, and Construct Public Facilities and Infrastructure Resource Summary	2002-2003 Actual 1	2003-2004 Adopted 2	2004-2005 Forecast 3	2004-2005 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	\$ 30,690,326	\$ 34,111,252	\$ 31,441,822	\$ 28,772,668	(15.7%)
Non-Personal/Equipment	199,520	321,797	321,397	218,920	(32.0%)
Total	\$ 30,889,846	\$ 34,433,049	\$ 31,763,219	\$ 28,991,588	(15.8%)
Authorized Positions	349.72	352.76	318.18	286.18	(18.9%)

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
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SAFE AND FUNCTIONAL PUBLIC INFRASTRUCTURE, FACILITIES, MATERIALS AND EQUIPMENT

- | | | | |
|--|---------|-------------|---|
| 1. Right-Sizing of Public Works Capital Improvement Program Staffing – Accelerated Vacancy Cuts* | (22.00) | (1,854,496) | 0 |
|--|---------|-------------|---|

Public Works staff has completed a department-wide staffing analysis for the Capital Improvement Program (CIP). Results of this analysis indicate that 38.0 positions (27.0 vacant and 11.0 filled), 29.0 of which are in this core service, will not be required to support the CIP workload. Funding levels in the CIP have declined due to a reduction in the development-related taxes that support the program and a reduction in the availability of regional transportation grants. The elimination of 22.0 vacant positions in this core service includes: 4.0 Associate Engineers, 2.0 Associate Structure/Landscape Designers, 4.0 Building Inspector Combinations, 3.0 Engineering Technicians, 1.0 Engineering Trainee PT, 1.0 Heavy Equipment Operator, 1.0 Instrument Person, 1.0 Office Specialist, 2.0 Secretaries, 1.0 Senior Engineer, 1.0 Staff Specialist, and 1.0 Structure/Landscape Designer. (Ongoing savings: \$1,856,433)

Performance Results:

Quality This action should have no effect on the quality of project delivery as these reductions align with anticipated workload reductions in the CIP.

Strategic Support CSA

Core Service: Plan, Design and Construct Public Facilities and Infrastructure *Public Works Department*

Budget Changes By Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
SAFE AND FUNCTIONAL PUBLIC INFRASTRUCTURE, FACILITIES, MATERIALS AND EQUIPMENT (CONT'D.)			
2. Right-Sizing of Public Works Capital Improvement Program Staffing	(7.00)	(581,295)	0
Public Works staff has completed a department-wide staffing analysis for the Capital Improvement Program (CIP). Results of this analysis indicate that 38.0 positions (27.0 vacant and 11.0 filled), 29.0 of which are in this core service, will not be required to support the CIP workload. Funding levels in the CIP have declined due to a reduction in the development-related taxes that support the program and a reduction in the availability of regional transportation grants. The elimination of seven filled positions in this core service includes: 2.0 Associate Construction Inspectors, 2.0 Associate Engineers, 2.0 Engineers, and 1.0 Office Specialist. (Ongoing savings: \$634,139)			
Performance Results:			
Quality This action should have no effect on the quality of project delivery as these reductions align with anticipated workload reductions in the CIP.			
3. Traffic Capital Improvement Program Staffing Reallocation to Public Works Fee Program	(3.00)	(233,365)	0
This action redeploys 3.0 positions that currently support the Traffic Capital Program to the Public Works Development Fee Program, as described in the Regulate/Facilitate Private Development Core Service. The increase in development activity, combined with the decrease in projects supported by the Capital Improvement Program, necessitates moving these positions into the Development Fee Program in order for the Program to achieve cycle time targets and keep up with workload. (Ongoing savings: \$233,365)			
Performance Results:			
Quality This action should have no effect on the quality of project delivery as these reductions align with anticipated workload reductions in the CIP.			
4. Public Works Cost Allocation Plan Redeployment		(102,475)	(102,475)
This action shifts non-personal/equipment funding from the General Fund to the Public Works Program Support Fund to support capital and bond programs. This action will more effectively align Public Works resources with anticipated workload for 2004-2005. (Ongoing savings: \$119,938)			
Performance Results:			
No change to service levels will result from this action.			
2004-2005 Adopted Core Service Changes Total	(32.00)	(2,771,231)	(102,475)

* This action was included in the 2004-2005 Proposed Operating Budget: Accelerated Proposals memorandum approved by City Council on May 4, 2004.

Strategic Support CSA

Core Service: Purchasing *General Services Department*

Core Service Purpose

To purchase quality products and services in a cost-effective manner by conducting competitive processes, researching new vendors and products and managing contracts.

Key Operational Services:

☐ Procure Supplies, Materials and Equipment

☐ Procure General Services

Performance and Resource Overview

Purchasing is responsible for the procurement of supplies, equipment and general services required by all City departments. This core service contributes to the Strategic Support CSA outcome: *Safe and Functional Public Infrastructure, Facilities, Materials and Equipment*. The core service goal is to provide all CSA's with what they need, when they need it, at the right price. Purchasing contributes to all CSA's by providing products and services that assist departments in meeting service delivery goals to residents. The core service also strives to provide outreach to the business community and ensure that public funds are spent wisely through competitive processes and cooperative purchasing with other government agencies.

In 2003-2004, the Purchasing section further enhanced the Request for Proposal documents and processes and utilized web-based electronic solicitation tools on numerous high dollar procurements. The Purchasing section is on track to generate over \$6 million dollars in cost savings through requirement consolidation (i.e. security services and reprographic services) and maximizing the use of competitive solicitations. In 2004-2005, one of the core service's larger priorities will be the successful and timely procurement of products, materials, and services associated with the opening of the New City Hall. Purchasing will also be working closely with the Airport Department to forecast and prepare for new equipment purchases associated with the passing of the Airport Security and Traffic Relief Act.

Outreach efforts to the small and local business community continue with Purchasing playing a key role in workshops and forums such as "How to do Business with the City of San José" (Entrepreneurial Center) and "Challenges 2004 - Pursuing Survivor Strategies" (2004 Silicon Valley Business Expo and Conference). Improvements to processes and elimination of inhibitors will further enhance these efforts.

Due to the elimination of a Senior Office Specialist position, remaining staff will be required to absorb additional administrative duties. This may result in a decreased capacity to augment ancillary purchasing activities such as business outreach, labor compliance, environmental preferable procurement, responsiveness to executive management and City Council information requests, credit card program management and customer service. In addition, the increased workload





Strategic Support CSA

Core Service: Purchasing General Services Department

Performance and Resource Overview (Cont'd.)

absorbed by remaining staff will result in an estimated 10% decrease in purchase order cycle time when comparing the 2003-2004 Estimate to the 2004-2005 Target and a corresponding 5% decrease in customer satisfaction when comparing the 2003-2004 Estimate to the 2004-2005 Target.

Additionally, one Network Engineer position from this core service was eliminated. This position supported the network, helpdesk, setup, maintenance and project needs for all General Services employees. This position also supported several major systems housed at General Services that service the entire City including the Facilities Management and Parks Maintenance Work Order System, and the Citywide Fleet Management and Fueling system. This action, combined with added responsibilities to the New City Hall projects (Building Security, Facilities Management, Document Management, and an additional warehouse location), will result in the slowdown or cessation of work on several projects, and an increase to helpdesk response and completion times. Since the General Services Department supports many other City services, the elimination of the Network Engineer may also impact other CSAs.

Purchasing Performance Summary	2002-2003 Actual	2003-2004 Target	2003-2004 Estimated	2004-2005 Target
 % Cost savings achieved through the purchasing process	12.2%	8%	8%	8%
 Cost of purchasing service as a percentage of the total dollars procured	2%	2%	2%	2%
 % of Purchase Orders processed within established timeframes				
8 days for PO's <\$5,000	67%	60%	70%	60%
15 days for PO's >\$5,000	62%	55%	65%	55%
 % of customers who rate services good or better based on quality and timeliness	58%	60%	65%	60%

Activity & Workload Highlights	2002-2003 Actual	2003-2004 Forecast	2003-2004 Estimated	2004-2005 Forecast
Number of procurement requests received	2,918	3,500	2,645	2,700
Number of Purchase Orders issued	2,385	2,590	2,437	2,500
Total \$ procured	\$80.6M	\$100M	\$83.8M	\$85M
Total cost savings	\$8M	\$8M	\$6.4M	\$7M

Strategic Support CSA

Core Service: Purchasing General Services Department

Performance and Resource Overview (Cont'd.)

Purchasing Resource Summary	2002-2003 Actual 1	2003-2004 Adopted 2	2004-2005 Forecast 3	2004-2005 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	\$ 1,096,298	\$ 1,284,565	\$ 1,311,929	\$ 1,153,739	(10.2%)
Non-Personal/Equipment	27,240	78,251	61,251	61,251	(21.7%)
Total	\$ 1,123,538	\$ 1,362,816	\$ 1,373,180	\$ 1,214,990	(10.8%)
Authorized Positions	14.70	14.70	14.70	12.70	(13.6%)

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
SAFE AND FUNCTIONAL PUBLIC INFRASTRUCTURE, FACILITIES, MATERIALS AND EQUIPMENT			
1. General Services Administrative and Technical Support Staffing	(2.00)	(158,190)	(158,190)
This reduction eliminates a filled Senior Office Specialist and a filled Network Engineer. The majority of tasks previously performed by these positions will be redistributed to other positions, however some lower priority tasks may not be performed as a result of this action. (Ongoing savings: \$172,571)			
Performance Results:			
Cycle Time Cycle times will increase for network and administrative support. Purchasing will lose 50% of its general administrative staff and General Services technical support will be reduced by 33%.			
2004-2005 Adopted Core Service Changes Total	(2.00)	(158,190)	(158,190)

Strategic Support CSA

Core Service: Technology Customer Support *Information Technology Department*

Core Service Purpose

Provide direct customer support and training for technology equipment and applications.

Key Operational Services:

☐ Desktop Support

☐ Data Production

Performance and Resource Overview

The Technology Customer Support core service assists customers in determining the equipment and software necessary for their requirements, and coordinates the equipment and software installation, training, and support for City Departments. This core service contributes to the Strategic Support CSA's outcome: *Effective Use of State-Of-The-Art Technology*.

The Department estimated a 2003-2004 performance level of 99.53% compared to the target of 100% for the email system availability during business hours, as specified in Network and Communication Core Service. System availability for the Financial Management System and the Human Resources/Payroll System was estimated to be 97.35% and 99.43%, respectively, compared to the targets of 99%.

Information Technology is responsible for approximately 6,500, or 77% of the 8,500 mailboxes city-wide. In 2003-2004, email backup and recovery was consolidated to a single tape library in preparation for the upgrade. In addition, the Department began consolidating all physical and logical components of the email infrastructure and preparing for an enterprise upgrade of the City email system. The goal of the upgrade is to improve availability while providing feature enhancements, including improved remote access to email, dynamic distribution lists, and an improved user interface.

In 2003-2004, the Department undertook an organization-wide business process improvement (BPI) initiative. The focus of this process was the seamless integration of enabling core technologies, which will form the "virtual backbone" for the provision of City information technology services. The following outcomes were established for this BPI project: (1) implement a work order system which integrates IT services; (2) improve the delivery of core services from the customers' perspective; (3) create a transferable blueprint for the New City Hall (NCH) model of technology service integration; and (4) provide consistent or improved services with fewer resources than the current base year. This project consisted of three phases. Phase One included the integration of Customer Support and Network Operations and was completed in March 2004. Phase Two consisted of the Enterprise Applications group and was completed in May 2004. Phase Three, comprised of Client Services, Administrative Services, Radio Communications, and City-wide "Like IT" functions and will be completed in September 2004.

Strategic Support CSA

Core Service: Technology Customer Support *Information Technology Department*

Performance and Resource Overview (Cont'd.)

Phase One resulted in the creation of three work groups to more effectively and efficiently serve other departments. The Servers Group provides technical support for hardware, software and the Network Operations Center (NOC). Data Network Group provides technical support for systems' linkages and supports everything between the NOC and the plug in the wall. The Desktop Group provides technical support of hardware, initial software installation and all equipment from the plug outward to desktop units.

Also, in Phase One, the Technical Assistance Center (TAC) was identified as a key component of Customer Support and provides: (1) a single point of contact for coordination within the Department's Technical Support groups; (2) an information center for system wide issues; (3) a reference center for end users as well as technical support staff; and (4) multiple ways for customers to get service and encourage self sufficiency. The TAC incorporates an automated work order system to capture, prioritize, and manage all help desk calls that address initial level questions and/or route customer service requests to the appropriate Department groups for additional or further technical assistance.

Approximately 25% of the Information Technology Department's budget reductions resided in this core service. The reductions focused on funding shifts and the elimination of positions that administratively support operations, and/or provided programming services to the Police Department. Lower priority projects may be delayed and customer service response times may increase. The 2004-2005 performance target for non-urgent service requests resolved within 4 hours was lowered to 85% from a 90% level in 2003-2004. The customer satisfaction performance target was also lowered from a 90% target level in 2003-2004 to 85% level in 2004-2005.

During February 2004, the Mayor directed the immediate elimination of 100 vacant positions. In response, a Supervising Applications Analyst position was eliminated in the Technology Solutions Consulting core service. The responsibilities of the position were to support and advance the Geographic Information Systems (GIS) Integration project. Without the position, the integration of GIS enterprise-wide will be delayed until the Department can evaluate impacts of reassigning staff to this project.




Performance Measure Development

The Strategic Support CSA is in the process of evaluating its current structure in hopes of consolidating and reducing the number of core services that align to this CSA. The core service performance measures are being reviewed and, if necessary, will be altered to accurately reflect and measure the services contained within the new core service.

Strategic Support CSA

Core Service: Technology Customer Support Information Technology Department

Performance and Resource Overview (Cont'd.)

Technology Customer Support Performance Summary	2002-2003 Actual	2003-2004 Target	2003-2004 Estimated	2004-2005 Target
 % of time system is available during normal business hours				
- E-mail	99.97%	100%	99.53%	100%
- Financial Management System	98.19%	99%	97.35%	99%
- PeopleSoft	98.41%	99%	99.43%	99%
 % of service requests resolved within established guidelines:				
- 1 hour for urgent requests	100%	90%	100%	90%
- 4 hours for all other requests	83.08%	90%	76.53%	85%
 % of customers rating customer support as good or excellent based on timeliness and quality of service	89%	90%	85%	85%

Activity & Workload Highlights	2002-2003 Actual	2003-2004 Forecast	2003-2004 Estimated	2004-2005 Forecast
Number of service requests	3,061	3,000	2,841	3,000
Number of calls by same user for same problem*	-	-	-	-

* The performance data will be available when the automated work order is completed in 2004-2005.

Technology Customer Support Resource Summary	2002-2003 Actual 1	2003-2004 Adopted 2	2004-2005 Forecast 3	2004-2005 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	\$ 6,275,654	\$ 7,258,405	\$ 8,126,183	\$ 7,774,348	7.1%
Non-Personal/Equipment	719,900	1,147,538	987,338	968,254	(15.6%)
Total	\$ 6,995,554	\$ 8,405,943	\$ 9,113,521	\$ 8,742,602	4.0%
Authorized Positions	74.06	69.46	76.26	71.76	3.3%

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Strategic Support CSA

Core Service: Technology Customer Support *Information Technology Department*

Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
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EFFECTIVE USE OF STATE-OF-THE ART TECHNOLOGY

1. Police Department Technical Support (2.00) (185,989) (185,989)

This action eliminates 2.0 filled positions (1.0 Systems Applications Programmer, 1.0 Senior Systems Applications Programmer) that provide technical support to the Police Department. The Police Department has a Systems Development Unit that will assist remaining staff in fulfilling the duties of the eliminated positions. (Ongoing savings: \$202,163)

Performance Results:

Cycle Time, Customer Satisfaction Prioritization of the workload will need to occur and some projects will be placed on hold until higher prioritized projects are completed. Due to this reduction, performance targets were decreased from 90% to 85%.

2. Information Technology Staffing (1.50) (83,943) (83,943)

This action eliminates 1.0 filled Data Processing Control Clerk position and 0.50 Office Specialist position in this core service. The positions support Network Operation data processing, perform report distribution, and support the City-wide printer service and repair function. The remainder of the 0.50 Office Specialist position is discussed in the Network and Communications Core Service section. (Ongoing savings: \$91,243)

Performance Results:

Cycle Time, Customer Satisfaction Cycle times for responding to data report requests may be lengthened. The Department is evaluating alternative service delivery strategies for printer maintenance and repair. Support for the remanufactured toner cartridge program will no longer be necessary in this Department because online ordering has been implemented and responsibility for paying vendor invoices has been shifted to General Services Department.

3. Network Consolidation Efficiencies (1.00) (81,902) (16,117)

This action eliminates 1.0 filled Network Technician position supporting revenue control systems in the City's parking facilities. As a result of capital investments in revenue control equipment and integration in several City-owned parking facilities, the ongoing maintenance and repair once required by the older systems is reduced. The remaining ongoing maintenance needs will be met by redeploying existing staff to cover this function as well. (Ongoing savings: \$89,024)

Performance Results:

Cycle Time, Customer Satisfaction Existing staff will be redeployed to absorb the remaining ongoing maintenance needs for the City's revenue control systems in parking facilities. Minor short-term impacts may be experienced on the timeliness of repairs during the redeployment period, however no long-term service level impacts are anticipated.

Strategic Support CSA

Core Service: Technology Customer Support Information Technology Department

Budget Changes By Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
EFFECTIVE USE OF STATE-OF-THE ART TECHNOLOGY (CONT'D.)			
4. Technology Supplies and Materials Efficiencies		(16,084)	(16,084)
This action corrects the use of special funds to be applied to non-personal expenditures that support special funded responsibilities and reduces the General Fund by the same amount. (Ongoing savings: \$16,084)			
Performance Results:			
Quality No change to service levels will result from this action.			
5. Software/Hardware Technology Efficiencies*		(3,000)	(3,000)
This action eliminates annual renewal and maintenance for third party software used in development of Common Business Oriented Language (COBOL) programs for the Financial Management System (FMS). Due to new technologies and upgrades, the City is no longer using COBOL. (Ongoing savings: \$3,000)			
Performance Results:			
Quality No change to service levels will result from this action.			
6. Technology Support Staffing Funding Shift*		0	(200,589)
This action reallocates funding for 1.5 positions (0.50 Senior Systems Applications Programmer, 1.0 Information Systems Analyst) to more accurately reflect the technical support given to the development of the Capital Improvement Program and the Library system. The Senior Systems Applications Programmer position will be funded by various Capital Funds. The Information Systems Analyst position will be funded by the Library Benefit Assessment District Fund. (Ongoing savings: \$0)			
Performance Results:			
Quality No change to service levels will result from this action.			
7. Technical Adjustment for Technology Support Staffing		0	0
This action reallocates funding for 1.0 Senior Systems Applications Programmer position to more accurately reflect the technical support given to the development of the Capital Improvement Program. (Ongoing savings: \$0)			
Performance Results:			
Quality No change to service levels will result from this action.			
2004-2005 Adopted Core Service Changes Total	(4.50)	(370,918)	(505,722)

* This action was included in the 2004-2005 Proposed Operating Budget: Accelerated Proposals memorandum approved by City Council on May 4, 2004.

Strategic Support CSA

Core Service: Technology Solutions Consulting *Information Technology Department*

Core Service Purpose

Create and implement new technology solutions that maximize the delivery of City services.

Key Operational Services:

- ☐ Design and Development of Technology Solutions

Performance and Resource Overview

The purpose of the Technology Solutions Consulting core service is to provide timely technical assistance to customers who are defining and actively designing their technology requirements and/or implementing applications. This core service contributes to the Strategic Support CSA's outcome: *Effective Use of State-Of-The-Art Technology*.

In 2003-2004, four large information technology projects were tracked in this core service: 1) the Police Department's Automated Reporting System; 2) the San José Permits On-line System; 3) the Computer Aided Dispatch and Automatic Vehicle Location System; and 4) the City's new utility billing system (CUSP). All of these projects were scheduled for implementation in 2003-2004 and 2004-2005.

The San José Permits On-line System implemented the following segments: 1) The integration of a stand-alone permit tracking systems in various departments into one comprehensive system that contains all permit, land use, and geographic data pertaining to a specific parcel providing a single access point. The system will be web-enabled to allow customers to obtain all property and permit records via the Internet; 2) the creation of internet services that provide registered customers with the on-line ability to schedule, cancel or modify inspection requests as well as view their inspection results and histories on-line; and 3) the Interactive Voice Recognition (IVR) System was implemented for Permits On-line. The IVR project will allow customers to schedule inspections during non-business hours via a touch-tone phone. The web-based services eliminate staff involvement and allow customers to conduct business with the City during non-business hours. Based on a recently completed comparison of top-ranked e-Government web sites, the City offers the most comprehensive on-line development services offered by any city. In 2004, additional web-based services will be made available to customers city-wide. These include Application Submittal, Fee Estimates, Fee Payment, and Document Retrieval.

The Police Department's Automated Information System (AIS) project was implemented in November 2001. The final chapter in the Police Department's automation effort is the Automated Reporting System (ARS), also known as In-Field Reporting (IFR). The ARS component is the cornerstone of the data entry flow into the Records Management System (RMS) of AIS. This effort will reduce the gap between data collection and data entry, and thus improve data quality. For

Strategic Support CSA

Core Service: Technology Solutions Consulting *Information Technology Department*

Performance and Resource Overview (Cont'd.)

example, an officer in the field will have the capability to enter data soon after an event has occurred rather than at a later time and/or by someone who was not present at the scene. To meet this goal, the Department must procure software and hardware, integrate RMS, and install mobile data computers. All the equipment, installation and integration are estimated to be completed in the first quarter of 2004-2005.

The Police and Fire Departments have been utilizing Computer Aided Dispatch (CAD) systems since San José assumed the responsibilities for communications services in 1990. The CAD system is comprised of software that was designed in the late 1980s and hardware that was upgraded in 1995. Today's modern CAD system provides ease of use and flexibility that the current legacy system cannot offer. In addition, though only eight years old, it has been difficult to find parts for the existing hardware. For these reasons, both the Fire and Police Departments are jointly in the process of replacing the CAD with new state-of-the-art technology.

Along with the CAD replacement, the City is in the process of enhancing the existing radio data network to provide location data to the CAD from each police vehicle and fire apparatus. This data will come from Global Positional Receivers mounted in each vehicle and is commonly called Automatic Vehicle Location (AVL). The AVL system will allow dispatchers to ascertain the closest unit to a call for service based on their actual location as opposed to recommendations based on a static table. This will ensure the units responding at the exact location as quickly as possible. The AVL feature should reduce overall response times to emergency calls for service and increase officer/firefighter safety on the streets. A key component of the foundational data for this new system will be the creation and integration of a Geographic Information System database for the City, as discussed in further detail in the City-Wide Database Management core service. The CAD and AVL systems are scheduled for implementation in 2004-2005.

In 2003-2004, the CUSP project continued to be tracked in this core service. CUSP is an application that addresses three main functional areas: Customer Relationship Management; Utility Billing System; and Partner Relationship Management for city-wide utility billing needs. The CUSP RFP was issued at the end of May 2003. In early 2004, staff presented an update on this process to the City Council. Due to the existing budgetary constraints, the City Council was presented with four alternatives as part of the RFP process, each of which included an analysis of the related risks and benefits and a return on investment. The City Council decided to proceed with the RFP process to procure a solution, which will be operated by the City.

During February 2004, the Mayor directed the immediate elimination of 100 vacant positions. In response, a Supervising Applications Analyst position was deleted from this core service. The responsibilities of the position were to support and advance the Geographic Information Systems (GIS) Integration project. With the loss of this position, the project currently has no technical lead and integration of GIS enterprise-wide will be delayed until alternate resources can be redeployed.




Strategic Support CSA

Core Service: Technology Solutions Consulting Information Technology Department

Performance and Resource Overview (Cont'd.)

Performance Measure Development

The Strategic Support CSA is in the process of evaluating its current structure in hopes of consolidating and reducing the number of core services that align to this CSA. The core service performance measures are being reviewed and, if necessary, will be altered to accurately reflect and measure the services contained within the new core service.

Technology Solutions Consulting Performance Summary	2002-2003 Actual	2003-2004 Target	2003-2004 Estimated	2004-2005 Target
 % of all projects* successfully completed as planned based on the following conditions:	(0 of 2)	(4 of 4)	(4 of 4)	(3 of 3)
- Customer needs and requirements	-	100%	100%	100%
- Project plan	-	100%	100%	100%
- Implementation schedule	-	100%	100%	100%
- Budget	-	100%	100%	100%
 Total cost of direct resources utilized on each new technology project/total IT budget **	-	-	-	-
 % of time customer service expectations are met or exceeded based on the following: **				
- Application meeting customer need based on a 90 day go-live time frame	-	-	-	-
- Support provided throughout the development process	-	-	-	-

* The Department is only reporting on major projects (Automated Reporting System, San José Permits On-Line System, and CUSP).

** See Performance Measure Development section.

Strategic Support CSA

Core Service: Technology Solutions Consulting Information Technology Department

Performance and Resource Overview (Cont'd.)

Activity & Workload Highlights	2002-2003 Actual	2003-2004 Forecast	2003-2004 Estimated	2004-2005 Forecast
Number of major projects underway	3	4	4	3
Total IT budget	\$17,505,459	\$16,662,907	\$16,025,000	\$16,324,862
Number of planned projects*	-	TBD	TBD	TBD

* See Performance Measure Development section.

Technology Solutions Consulting Resource Summary	2002-2003 Actual 1	2003-2004 Adopted 2	2004-2005 Forecast 3	2004-2005 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	\$ 677,393	\$ 600,890	\$ 595,616	\$ 595,616	(0.9%)
Non-Personal/Equipment	11	-	-	-	N/A
Total	\$ 677,404	\$ 600,890	\$ 595,616	\$ 595,616	(0.9%)
Authorized Positions	5.36	4.96	4.76	4.76	(4.0%)

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Strategic Support CSA

Core Service: Technology Solutions Consulting *Information Technology Department*

Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
EFFECTIVE USE OF STATE-OF-THE ART TECHNOLOGY			
1. Technology Support Staffing Funding Shift		0	(12,714)
This action reallocates funding for 0.3 Information Systems Analyst position providing GIS services and 0.1 Information Systems Analyst position providing support to the Library. Funding will be reallocated from the General Fund to Development Fee Programs and the Library Benefit Assessment District Fund. (Ongoing savings: \$0)			
Performance Results:			
Quality No change to service levels will result from this action.			
2004-2005 Adopted Core Service Changes Total	0.00	0	(12,714)

Strategic Support CSA

Core Service: Technology Strategic Planning *Information Technology Department*

Core Service Purpose

Ensure optimal resource utilization and technology investments across the City-wide organization.

Key Operational Services:

☐ Strategic Master Plan

☐ Equipment Life Cycle Assessment

Performance and Resource Overview

The purpose of the Technology Strategic Planning core service is to provide leadership in the area of technology for the City organization, ensuring that technology investments are coordinated, efficient and effective. The City of San José's Information Technology Master Plan facilitates this purpose. This core service contributes to the Strategic Support CSA's outcome: *Effective Use of State-Of-The-Art Technology*.

The Information Technology Planning Board (ITPB) identified three strategic initiatives of highest priority for implementation in 2003-2004. The initiatives were as follows: 1) implement the City of San José e-Government Strategy; 2) integrate "like" information technology functions throughout the City; and 3) update to the City's Information Technology Master Plan.

One of the five-year strategic goals for the Strategic Support CSA is to "Implement e-Government services". In the second quarter of 2002-2003, the ITPB presented a report to the City Council that proposed the City's vision of e-Government, *"to leverage technology to enable seamless service to citizens,"* and the first e-Government application that would be implemented is Class Registration and Payments On-line for the classes offered by the Department of Parks, Recreation, and Neighborhood Services (PRNS). The e-Government Project Manager was hired in June 2003 and the ITPB reported back to the Making Government Work Better (MGWB) Committee in the first quarter of 2003-2004 with a project plan that described the implementation schedule for this project. However, in the third quarter of 2003-2004, the ITPB recommended to the MGWB Committee that this project be deferred until January 2005. The deferral will allow PRNS to determine what level of services they will provide in light of the budgetary difficulties.

The study and final report on the integration of "like" IT functions was completed and accepted in concept by the ITPB and the City Manager. This service delivery model, if implemented would mean a major change for the organization, which to date has been very difficult to implement. The New City Hall project will offer the opportunity to revisit the benefits provided by consolidating IT as recommended by the study. In preparation for this integrated approach to technical support and to facilitate the implementation of technology services and hardware consolidation for departments moving to the New City Hall, 11 departmental network positions were moved into the Information Technology Department for 2004-2005.

Strategic Support CSA

Core Service: Technology Strategic Planning *Information Technology Department*

Performance and Resource Overview (Cont'd.)

The ITPB also initiated an update of information technology management standards, policies, and guidelines, along with embarking upon an update of the Information Technology Master Plan. However, due to the vacated Deputy Chief Information Officer position in the first quarter of 2003-2004 and the planning efforts that are occurring with the New City Hall, this effort has been placed on hold. Once the update process is reinitiated, the ITPB is scheduled to prioritize the strategic initiatives contained in the revised Master Plan. By continuing to update and implement the strategic initiatives identified in the Information Technology Master Plan, the City will demonstrate its commitment to improving the way technology and information resources can be used to provide services to residents.

During 2003-2004, the foremost priority of the Department was preparing project plans, RFP's and project timelines for major technology initiatives in the New City Hall (NCH): 1) fiber connectivity from 4 North 2nd Street facility to the NCH; 2) new converged network for voice and data; 3) server consolidations and storage area network for departments moving to the NCH; 4) horizontal cabling; 5) radio and wireless communications; 6) audio visual needs; 7) informational kiosks; and 8) the facility management information system. Integrating, consolidating and leveraging existing information technology resources were and will continue to be key strategic outcomes of the NCH technology planning effort. The projects listed above directly support the strategic initiative in the Economic Development Strategy to "Make San José a Tech Savvy City; Lead the Way in Using Technology to Improve Daily Life", and support the customer service delivery model and associated organizational transformation envisioned for the NCH.

During February 2004, the Mayor directed the immediate elimination of 100 vacant positions. In response, a Senior Systems Applications Programmer position was deleted from this core service. The vacant position was intended to have responsibility for work related to e-Government projects, and the elimination of this position removed the only technical staff member completely dedicated to the support of e-Government.

It should be noted that no budget proposals requesting additional funding for technology items were prepared for 2003-2004; therefore, the "% of information technology related budget actions that incorporate vision and strategies outlined in the master plan" was not applicable.




Performance Measure Development

The Strategic Support CSA is in the process of evaluating its current structure in hopes of consolidating and reducing the number of core services that align to this CSA. The core service performance measures are being reviewed and, if necessary, will be altered to accurately reflect and measure the services contained within the new core service.

Strategic Support CSA

Core Service: Technology Strategic Planning Information Technology Department

Performance and Resource Overview (Cont'd.)

Technology Strategic Planning Performance Summary	2002-2003 Actual	2003-2004 Target	2003-2004 Estimated	2004-2005 Target
 % of strategies developed in the master plan that are adopted and adhered to by the individual departments*	25% (1 of 4)	100% (3 of 3)	0% (0 of 3)	100% (2 of 2)
 % of responses from IT Planning Board members & departments that are good or excellent in the following areas:				
- Timeliness of decisions made	36%	85%	40%	85%
- Perception of benefit/value added by Strategic Planning	45%	85%	45%	85%
- Impact upon planning & preparation of IT related budget requests	37%	85%	41%	85%
 % of information technology related budget actions that incorporate vision and strategies outlined in the master plan**	95%	95%	N/A	95%

* This number represents the percentage of the prioritized initiatives identified by the ITPB.

** See Performance Measure Development.

Activity & Workload Highlights	2002-2003 Actual	2003-2004 Forecast	2003-2004 Estimated	2004-2005 Forecast
Total IT budget	\$17,505,459	\$16,662,907	\$16,025,000	\$16,324,862
Budget for IT Planning Board	\$30,000	\$30,000	\$30,000	\$30,000
Number of meetings on an annual basis	16	12	9	12

Strategic Support CSA

Core Service: Technology Strategic Planning Information Technology Department

Performance and Resource Overview (Cont'd.)

Technology Strategic Planning Resource Summary	2002-2003 Actual 1	2003-2004 Adopted 2	2004-2005 Forecast 3	2004-2005 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	\$ 266,109	\$ 258,577	\$ 558,343	\$ 558,343	115.9%
Non-Personal/Equipment	52,101	17,800	17,600	17,600	(1.1%)
Total	\$ 318,210	\$ 276,377	\$ 575,943	\$ 575,943	108.4%
Authorized Positions	1.40	1.30	3.50	3.50	169.2%

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
NONE			

Strategic Support CSA

Core Service: Training and Development *Employee Services Department*

Core Service Purpose

Provide programs that build the capacity of individual employees.

Key Operational Services:

- | | |
|--|--|
| <input type="checkbox"/> Classroom Training Programs | <input type="checkbox"/> New Employee Orientations |
| <input type="checkbox"/> Leadership and Management Training Programs | <input type="checkbox"/> Tuition Reimbursements |
| <input type="checkbox"/> Certificate Programs | |

Performance and Resource Overview

The Training and Development core service strives to develop individual employees as the valuable components of a high-performing workforce. This core service is related to the Strategic Support CSA's outcome: *A High Performing Workforce that is Committed to Exceeding Customer Expectations.*

The Training and Development Core Service offers a city-wide training program that focuses primarily on the New Employee Orientation Program (NEO), leadership and supervision training, and a selection of classes teaching computer, communication, technical, and City operations skills. This city-wide training program was developed in cooperation with the City Manager's Office and departmental training representatives, so that it would be responsive to the needs of the City organization and would complement departmental training programs.

During 2003-2004, NEO offered six sessions on organizational values, policies and practices, so that all benefited employees could attend within the first eight weeks of employment. The Leadership and Supervision Academy (LSA) was offered six times in 2003-2004, graduating 180 of the organization's 1,000 supervisors and managers. Of those who attended LSA, 85% rated the effectiveness of training classes as good to excellent. In addition, 86% rated the instruction as good to excellent for relevance to job and career development and quality of instruction. Approximately two hundred seventy training courses were offered in 2003-2004. The "% of supervisors who say training improves employees' job performance" was estimated at 86%.

During 2004-2005, the core service will focus on implementing a new mentoring program, training for managers and supervisors, and the NEO Program. The LSA will be offered six times in 2004-2005, allowing 180 employees to take part in this professional development activity. In addition, two new programs will be implemented in 2004-2005. "The Art and Practice of Leadership," an advanced leadership academy, will provide 25 employees training that is tailored to their needs, based on an assessment of the individual's strengths and weaknesses, as evaluated by their peers. In addition, the Department will implement a new pilot mentoring program for






Strategic Support CSA

Core Service: Training and Development *Employee Services Department*

Performance and Resource Overview (Cont'd.)

employees to participate as a mentors or mentees in a structured nine month program. The purpose of these programs is to train and develop a diverse and highly talented employee group that is ready to assume higher levels of responsibility and leadership within the City organization. With an estimated one-third of the current work force eligible to retire within the next five years, these programs are critical to establishing a high-quality succession plan for continuity of leadership.

Included in this document is an approved action to eliminate \$32,700 in Training Program funding for hardware and software upgrades. The impact of this reduction will be partially mitigated by the shift of these costs to the City-Wide Expenses Training and Continuous Improvement Program appropriation, which is also approved for reduction from \$250,000 to \$150,000. (Please refer to the City-Wide Expenses section of this CSA for additional information.) The combined effect of these reductions will be a decrease in the number of courses (from 270 to 100) and the number of attendees (from 3,000 to 800). The remaining training resources will be focused on high priority programs such as mentoring, supervision and leadership academy, leadership and supervision training, and new employee orientations.

Training and Development Performance Summary	2002-2003 Actual	2003-2004 Target	2003-2004 Estimated	2004-2005 Target
 % of supervisors who say training improves employees' job performance	86%	85%	86%	85%
 % of employees rating the effectiveness of training classes as good to excellent	86%	90%	85%	85%
 % of training requests filled within time objectives	90%	90%	90%	90%
 % of customers very satisfied with employee development services (4 or better on a 1-5 scale)	98%	95%	97%	95%
 % of attendees who say that the training class met their objectives	86%	90%	85%	85%

Activity & Workload Highlights	2002-2003 Actual	2003-2004 Forecast	2003-2004 Estimated	2004-2005 Forecast
Number of training courses offered	319	200	270	100
Number of training hours provided	2,160	1,500	1,625	600
Number of training registrations processed	6,226	6,000	5,500	1,200
Number of training attendees	3,683	3,000	3,000	800

Strategic Support CSA

Core Service: Training and Development Employee Services Department

Performance and Resource Overview (Cont'd.)

Training and Development Resource Summary	2002-2003 Actual 1	2003-2004 Adopted 2	2004-2005 Forecast 3	2004-2005 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	\$ 242,295	\$ 251,443	\$ 262,521	\$ 262,521	4.4%
Non-Personal/Equipment	0	32,700	32,700	0	(100.0%)
Total	\$ 242,295	\$ 284,143	\$ 295,221	\$ 262,521	(7.6%)
Authorized Positions	4.00	3.00	3.00	3.00	0.0%

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
A HIGH PERFORMING WORKFORCE THAT IS COMMITTED TO EXCEEDING CUSTOMER EXPECTATIONS			
1. Training Program Hardware and Software		(32,700)	(32,700)
This action will eliminate non-personal/equipment funding in the Training Program. Hardware and software upgrades that have been funded from this allocation will instead be funded by the City-Wide Training and Continuous Improvement Program appropriation, which is also approved to be reduced. (Ongoing Savings: \$32,700)			
Performance Results			
No change to service levels will result from this action.			
2004-2005 Adopted Core Service Changes Total		(32,700)	(32,700)

Strategic Support CSA

Strategic Support *Employee Services Department*

Strategic Support represents the services provided within departments that support and guide the provision of the core services. Strategic Support within the Employee Services Department includes:

- ☐ Administration
- ☐ Financial Management
- ☐ Personnel Management
- ☐ HR Systems Management

Performance and Resource Overview

Strategic Support in Employee Services Department includes the underlying systems that allow the department to function such as personnel, budget, and information systems management.

The replacement of a vacant Administrative Officer position with an Administrative Manager position was approved for 2004-2005. The Administrative Manager will assume a combination of the duties and responsibilities currently performed by the Strategic Support Administrative Officer and the Human Resources Information Systems (HRIS) Manager (Senior Analyst). This realignment of administrative staffing is appropriate given the reductions to staffing levels within the Employee Services Department in the last two years.

Strategic Support Resource Summary	2002-2003 Actual 1	2003-2004 Adopted 2	2004-2005 Forecast 3	2004-2005 Adopted 4	% Change (2 to 4)
Strategic Support Budget *					
Personal Services	\$ 1,126,396	\$ 912,733	\$ 928,824	\$ 901,838	(1.2%)
Non-Personal/Equipment	250,860	125,003	125,003	124,263	(0.6%)
Total	\$ 1,377,256	\$ 1,037,736	\$ 1,053,827	\$ 1,026,101	(1.1%)
Authorized Positions	10.50	8.50	8.50	8.50	0.0%

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Strategic Support CSA

Strategic Support *Employee Services Department*

Strategic Support Budget Changes

Adopted Strategic Support Changes	Positions	All Funds (\$)	General Fund (\$)
A HIGH PERFORMING WORKFORCE THAT IS COMMITTED TO EXCEEDING CUSTOMER EXPECTATIONS			
1. Administrative Staffing Realignment		(26,985)	(26,985)
<p>This action eliminates a vacant Administrative Officer position and adds an Administrative Manager position. The Administrative Manager will assume a combination of duties and responsibilities of both the Administrative Officer and the HRIS Systems Manager, which was funded on a one-time basis through the end of 2003-2004. This realignment is consistent with the needs of the Department, given the staffing level reductions in the last two years. (Ongoing savings: \$22,867)</p> <p>Performance Results No change to service levels will result from this action.</p>			
2. Cellular Telephone Service Cost Efficiencies		(740)	(740)
<p>This action will reduce the cost of cellular telephone service by 15% as a result of purchasing cellular telephone services and equipment under the Western States Consortium Agreement (WSCA) and optimizing rate plans to avoid overage charges. The impact of this reduction is a cost savings of \$254,372 city-wide, of which \$204,296 is generated in the General Fund. The cost savings in the Employee Services Department, Strategic Support, is \$740. (Ongoing savings: \$740)</p> <p>Performance Results No change to service levels will result from this action.</p>			
2004-2005 Strategic Support Changes Total		(27,725)	(27,725)

Strategic Support CSA

Strategic Support *Finance Department*

Strategic Support represents services provided within departments that support and guide the provision of the core services.

Key Operational Services:

- | | |
|---|---|
| <input type="checkbox"/> Analytical Support | <input type="checkbox"/> Computer Network Services |
| <input type="checkbox"/> Budget/Fiscal Management | <input type="checkbox"/> Human Resources Management |
| <input type="checkbox"/> Contract Administration | <input type="checkbox"/> Administrative Support |

Performance and Resource Overview

Within the scope of Strategic Support, departmental core services are guided through planning, organizing, directing, and evaluating service delivery to achieve departmental objectives. These support services ensure that programs and services are developed, implemented and enhanced in a manner consistent with City policies and procedures. In addition, Strategic Support is instrumental in the delivery of direct services to the public and in providing coordinated responses to requests for information by other departments, the City Administration, and the City Council.






Due to challenges presented by budgetary constraints, Strategic Support services were reduced in 2004-2005. One Administrative Officer responsible for assisting with financial analysis, review, and budget preparation for the Finance Department and Strategic Support CSA was eliminated. The services provided will be distributed to remaining support staff. In addition, Strategic Support services related to computer network support were reduced. This cutback reduced support for the Finance Department network, PC's and servers including the enterprise utility billing system (Socrates). These services will be added to the responsibilities of one remaining network support staff resulting in longer response times and potential delays for support on PC's, servers, and the enterprise utility billing system. Although Strategic Support exceeded the target estimate for customer satisfaction by 5% for 2003-2004, a decrease is expected for 2004-2005.

In 2003-2004, 6% of the Finance Department's 110 employees received 40 hours of relevant training annually and 10% of employees received 20 hours of relevant training annually. A factor impacting performance in this area was the high vacancy rates experienced since the city-wide hiring freeze. Due to workload and service demands, staff was unable to meet the 40-hour training goal. Because workloads will continue to increase and staffing levels will continue to decrease, the target will be reduced to 6% of employees receiving 40 hours of training in 2004-2005. In addition, the number of training hours is expected to decrease from 811 in 2003-2004 to 700 in 2004-2005.

Strategic Support CSA

Strategic Support Finance Department

Performance and Resource Overview (Cont'd.)

Strategic Support Performance Summary	2002-2003 Actual	2003-2004 Target	2003-2004 Estimated	2004-2005 Target
 % of employees receiving 40 hours of relevant training annually	8%	10%	6%	6%
 Ratio of strategic support services cost to total department budget	14%	16%	15%	13%
 % of financial transactions completed within established time guidelines	to be developed in 2004-2005			
 % of personnel transactions completed within established time guidelines	to be developed in 2004-2005			
 % of customers rating strategic support services as good or excellent on a 5-point scale based on courteous and timely responses to requests for information	75%	70%	75%	70%

Activity & Workload Highlights	2002-2003 Actual	2003-2004 Forecast	2003-2004 Estimated	2004-2005 Forecast
Total cost for Strategic Support (personal services)	\$1.69M	\$1.48M	\$1.35M	\$1.09M
Total department budget	\$10.51M	\$11.12M	\$9.33M	\$10.62M
Total number of department employees	119	116	110	105
Total number of Strategic Support employees	14	14	14	10
Total number of employees receiving 40 hours of relevant training	10	12	7	6
Total number of training hours provided	998	1000	811	700
Total number of survey responses	100	75	100	75

Strategic Support CSA

Strategic Support Finance Department

Performance and Resource Overview (Cont'd.)

Strategic Support Resource Summary	2002-2003 Actual 1	2003-2004 Adopted 2	2004-2005 Forecast 3	2004-2005 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	\$ 1,691,368	\$ 1,484,108	\$ 1,349,929	\$ 1,092,257	(26.4%)
Non-Personal/Equipment	438,558	258,053	258,053	257,428	(0.2%)
Total	\$ 2,129,926	\$ 1,742,161	\$ 1,607,982	\$ 1,349,685	(22.5%)
Authorized Positions	13.71	13.71	12.51	9.68	(29.4%)

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Strategic Support Budget Changes

Adopted Strategic Support Changes	Positions	All Funds (\$)	General Fund (\$)
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SOUND FISCAL MANAGEMENT THAT FACILITATES MEETING THE NEEDS OF THE COMMUNITY

1. Finance Administrative Staffing Reductions (1.83) (177,983) (147,566)

This action eliminates a filled Administrative Officer and 0.83 of a filled Secretary position. The Administrative Officer position provided management support for revenue collection efforts including tax and fee compliance reviews, accounts receivable analysis, and legislative analysis. The Secretary position provided direct customer support for the City's Business Tax, Sanitary and Storm Sewer Use, Recycle Plus, and Regulatory Permits programs as well as prepared financial reports and analysis. (Ongoing savings: \$193,461)

Performance Results:

Cycle Time Existing staff will absorb the responsibilities of the eliminated positions, resulting in longer response times and potential delays for internal financial analysis and reports.

2. Network Support Staffing (1.0) (79,689) (55,782)

This action eliminates 1.0 filled Network Technician position responsible for providing support for the Finance Department's network and servers including the enterprise utility billing system. (Ongoing savings: \$86,618)

Performance Results:

Cycle Time Existing staff will absorb the responsibilities of this position, resulting in longer response times and potential delays for support on PC's, servers, and the enterprise utility billing system.

Strategic Support CSA

Strategic Support *Finance Department*

Strategic Support Budget Changes

Adopted Strategic Support Changes	Positions	All Funds (\$)	General Fund (\$)
SOUND FISCAL MANAGEMENT THAT FACILITATES MEETING THE NEEDS OF THE COMMUNITY (CONT'D.)			
3. Cellular Telephone Service Cost Efficiencies		(625)	(625)
This action reduces the cost of cellular telephone service by 15% as a result of purchasing cellular telephone services and equipment under the Western States Consortium Agreement (WSCA) and optimizing rate plans to avoid overage charges. The impact of this reduction is a cost savings of \$254,372 city-wide, of which \$204,296 is generated in the General Fund. The cost savings in the Finance Department, Strategic Support Core Service, is \$625. (Ongoing savings: \$625)			
Performance Results:			
Quality No change to service levels will result from this action.			
2004-2005 Adopted Strategic Support Changes Total	(2.83)	(258,297)	(203,973)

Strategic Support CSA

Strategic Support *General Services Department*

Strategic Support represents services provided within departments that support and guide the provision of the core services. Strategic Support within General Services includes:

Key Operational Services:

- | | |
|--|--|
| <input type="checkbox"/> Network/Computer Systems Management | <input type="checkbox"/> Programmatic/Administrative Support |
| <input type="checkbox"/> Budget/Fiscal Management | <input type="checkbox"/> Strategic Planning/Leadership |
| <input type="checkbox"/> Property Management | |

Performance and Resource Overview

Strategic Support provides administrative support for the General Services Department. Strategic Support includes network and computer systems management, fiscal management, property management and organizational development.

For 2004-2005, the Property Management section will be reduced by 33% through the elimination of a Real Property Agent. Property management will have to focus on time critical property issues such as lease renewal and negotiations. Cycle times will increase significantly for services such as surplus property sales, rights of way and easements, and assessments. These will also limit the department's ability to increase proactive surplus property outreach.

Also included in this budget is the reduction of an Analyst that supported the Stores Fund, Materials Management, and Purchasing functions. In addition to personnel related issues and fiscal transactions, this position also coordinated all retention schedules related to records management, which was a function that was absorbed due to the deletion of the Archivist position.

Strategic Support will continue to strive to meet customer expectations, to find cost savings opportunities and to maintain quality standards. However, as a result of undertaking resource reduction to achieve operational savings, service level reductions will be unavoidable. Staff will be redeployed to meet the organization's highest needs including budget and fiscal management, basic network support, property management related to the New City Hall, employee services and employee relations.

Strategic Support CSA

Strategic Support General Services Department

Performance and Resource Overview (Cont'd.)

Strategic Support Resource Summary	2002-2003 Actual 1	2003-2004 Adopted 2	2004-2005 Forecast 3	2004-2005 Adopted 4	% Change (2 to 4)
Core Service Budget *					
Personal Services	\$ 924,784	\$ 1,069,018	\$ 1,051,717	\$ 875,845	(18.1%)
Non-Personal/Equipment	9,356,171	8,713,160	6,655,242	6,637,052	(23.8%)
Total	\$ 10,280,955	\$ 9,782,178	\$ 7,706,959	\$ 7,512,897	(23.2%)
Authorized Positions	9.50	9.50	9.00	7.00	(26.3%)

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Strategic Support Budget Changes

Adopted Strategic Support Changes	Positions	All Funds (\$)	General Fund (\$)
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SAFE AND FUNCTIONAL PUBLIC INFRASTRUCTURE, FACILITIES, MATERIALS AND EQUIPMENT

1. Property Management Staffing (1.00) (90,728) (90,728)

This action eliminates a filled Real Property Agent. This represents a 33% decrease in staffing for Property Management in the General Services Department. (Ongoing savings: \$98,976)

Performance Results:

Cycle Time Cycle times will significantly increase for surplus property sales, rights of way, easements and assessments. There will also be an impact on the department's ability to increase proactive surplus property outreach. Ongoing efforts to implement Real Estate audit recommendations will be delayed.

2. General Services Analytical Support Staffing (1.00) (85,144) (85,144)

This action eliminates a filled Analyst position. This position supports the Stores Fund, as well as the Purchasing and Materials Management sections of the General Services Department. (Ongoing savings: \$92,884)

Performance Results:

Cycle Time Cycle times will significantly increase for fiscal related support for the Stores Fund. In addition, several analytical support functions in Purchasing and Materials Management will no longer be performed.

Strategic Support CSA

Strategic Support *General Services Department*

Strategic Support Budget Changes

Adopted Strategic Support Changes	Positions	All Funds (\$)	General Fund (\$)
SAFE AND FUNCTIONAL PUBLIC INFRASTRUCTURE, FACILITIES, MATERIALS AND EQUIPMENT (CONT'D.)			
3. Cellular Telephone Service Cost Efficiencies		(18,190)	(18,190)
This action reduces the cost of cellular telephone service by 15% as a result of purchasing cellular telephone services and equipment under the Western States Consortium Agreement (WSCA) and optimizing rate plans to avoid overage charges. The impact of this reduction is a cost savings of \$254,372 city-wide, of which \$204,296 is generated in the General Fund. The cost savings in the General Services Department, Strategic Support Core Service is \$18,190. (Ongoing savings: \$18,190)			
Performance Results: No changes to current service levels are anticipated.			
2004-2005 Adopted Strategic Support Changes Total	(2.00)	(194,062)	(194,062)

Strategic Support CSA

Strategic Support Information Technology Department

Strategic Support represents services provided within the department that support and guide the provision of the core services. While there are resources and performance measures associated with strategic support at an operational level, those are not presented separately in this document. Instead, the resources are allocated to each core service according to the level of support provided. Similarly, performance measures are shown only at the core service level, as strategic support services are designed to help improve core service delivery.

Key Operational Services:

- ☐ Clerical Support
- ☐ Employee Services
- ☐ Financial Management
- ☐ Special Projects
- ☐ Training Management

Performance and Resource Overview

Strategic Support Resource Summary	2002-2003 Actual 1	2003-2004 Adopted 2	2004-2005 Forecast 3	2004-2005 Adopted 4	% Change (2 to 4)
Strategic Support Budget *					
Personal Services	\$ 353,318	\$ 340,637	\$ 335,384	\$ 335,384	(1.5%)
Non-Personal/Equipment	431,467	246,219	246,219	193,226	(21.5%)
Total	\$ 784,785	\$ 586,856	\$ 581,603	\$ 528,610	(9.9%)
Authorized Positions	4.20	2.70	2.70	2.70	0.0%

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Strategic Support CSA

Strategic Support *Information Technology Department*

Strategic Support Budget Changes

Adopted Strategic Support Changes	Positions	All Funds (\$)	General Fund (\$)
EFFECTIVE USE OF STATE-OF-THE ART TECHNOLOGY			
1. Technology Supplies and Materials Efficiencies		(52,993)	(52,993)
This action reduces supplies, materials and training in the Information Technology Department. The department will exercise additional prudence in procuring supplies, materials and repair services. Resources for training will be sought through project funds. (Ongoing savings: \$52,993)			
Performance Results:			
Cycle Time, Quality Timing associated with projects may be extended as creative solutions to avoid the purchase of supplies will have to be generated. Supplies will be recycled whenever possible. Project funds will be requested for training.			
2004-2005 Adopted Strategic Support Changes Total	0.00	(52,993)	(52,993)

Strategic Support CSA

Strategic Support *Public Works Department*

Strategic Support represents services provided within departments that support and guide the provision of the core services. Strategic Support within the Public Works Department includes:

- | | |
|--|--|
| <input type="checkbox"/> Real Estate | <input type="checkbox"/> Financial and Contractual |
| <input type="checkbox"/> Public Outreach | Administration |
| <input type="checkbox"/> Strategic Planning/Leadership | <input type="checkbox"/> Employee Services |
| <input type="checkbox"/> Infrastructure and Mapping | |

Performance and Resource Overview

Strategic Support for the Public Works Department within the Strategic Support CSA provides the following services:

Real Estate

Provides quality and cost effective real estate services in a timely manner to City departments and the Redevelopment Agency. Services are performed while assuring the City's compliance with the applicable local, state, and federal government laws and regulations. Services include appraisal, acquisition, relocation, site feasibility analysis, and special projects.

Public Outreach

Conducts outreach activities to small and local businesses and promotes department contract and consultant opportunities to the business community. Outreach activities include quarterly and annual educational presentations targeted at small and local businesses, inter-departmental development of a small business tracking system and electronic newsletter, and improvements to the CIP database to allow for on-line registration to deliver e-mail notifications of construction contract and consultant opportunities.

Strategic Planning/Leadership

Provides strategic planning and direction on department-wide issues that may affect multiple CSAs. Promotes organizational development and establishes the framework for an efficient operating structure that promotes the timely delivery of projects and services.

Infrastructure and Mapping

Updates the City's Geographic Information System base maps, the CIP database and web page, and coordinates the Infrastructure Management Systems. The base maps include data on parcels, streets, storm sewers, sanitary sewers, water lines, and streetlights.

Strategic Support CSA

Strategic Support *Public Works Department*

Financial and Contractual Administration

Provides fiscal management, accounting services, budget analysis, and centralized contract administration for the Public Works Department. Assists the public with construction issues and invites construction project bids through a bid hotline and the Internet.

Employee Services

Provides recruitment, hiring and promotion services to support all Public Works functions and maintenance of all personnel files and related information. Training support and monitoring, maintenance of the training library, oversight of employee safety and ergonomics programs, and direction of the Employee Recognition Program are also provided to Public Works staff.

Strategic Support Resource Summary	2002-2003 Actual 1	2003-2004 Adopted 2	2004-2005 Forecast 3	2004-2005 Adopted 4	% Change (2 to 4)
Strategic Support Budget *					
Personal Services	\$ 5,503,309	\$ 6,128,502	\$ 6,869,534	\$ 6,087,978	(0.7%)
Non-Personal/Equipment	277,534	464,630	426,970	296,524	(36.2%)
Total	\$ 5,780,843	\$ 6,593,132	\$ 7,296,504	\$ 6,384,502	(3.2%)
Authorized Positions	59.04	59.04	65.62	56.53	(4.3%)

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

Strategic Support CSA

Strategic Support *Public Works Department*

Strategic Support Budget Changes

Adopted Strategic Support Changes	Positions	All Funds (\$)	General Fund (\$)
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SAFE AND FUNCTIONAL PUBLIC INFRASTRUCTURE, FACILITIES, MATERIALS, AND EQUIPMENT

- | | | | |
|--|--------|-----------|---|
| 1. Right-Sizing of Public Works Capital Improvement Program Staffing – Accelerated Vacancy Cuts* | (5.00) | (450,802) | 0 |
|--|--------|-----------|---|

Public Works staff has completed a department-wide staffing analysis for the Capital Improvement Program (CIP). Results of this analysis indicate that 38.0 positions (27.0 vacant and 11.0 filled), 9.0 of which are in this core service, will not be required to support the CIP workload. Funding levels in the CIP have declined due to a reduction in the development-related taxes that support the program and a reduction in the availability of regional transportation grants. The elimination of five vacant positions within Strategic Support includes: 1.0 Analyst, 1.0 Geographic Systems Specialist, 2.0 Real Property Agents, and 1.0 Senior Accountant. (Ongoing savings: \$450,802)

Performance Results:

Quality This action should have no effect on the quality of project delivery as these reductions align with anticipated workload reductions in the CIP.

- | | | | |
|--|--------|-----------|---|
| 2. Right-Sizing of Public Works Capital Improvement Program Staffing | (4.00) | (317,584) | 0 |
|--|--------|-----------|---|

Public Works staff has completed a department-wide staffing analysis for the Capital Improvement Program (CIP). Results of this analysis indicate that 38.0 positions (27.0 vacant and 11.0 filled), 9.0 of which are in this core service, will not be required to support the CIP workload. Funding levels in the CIP have declined due to a reduction in the development-related taxes that support the program and a reduction in the availability of regional transportation grants. The elimination of four filled positions within Strategic Support includes: 2.0 Analysts, 1.0 Associate Construction Inspector, and 1.0 Senior Office Specialist. (Ongoing savings: \$346,455)

Performance Results:

Quality This action should have no effect on the quality of project delivery as these reductions align with anticipated workload reductions in the CIP.

- | | | | |
|---|------|---------|-----------|
| 3. Public Works Cost Allocation Plan Redeployment | 0.91 | (9,463) | (210,932) |
|---|------|---------|-----------|

This action shifts portions of 0.91 General Fund Public Works positions from the Economic and Neighborhood Development CSA to the Strategic Support CSA. Additionally, this action transfers the funding for portions of 1.68 positions and associated non-personal/equipment within Strategic Support from the General Fund to the Public Works Program Support Fund to support capital and bond programs. This funding shift will more effectively align Public Works resources with anticipated workload for 2004-2005. (Ongoing savings: \$119,938)

Performance Results:

No change to service levels will result from this action.

Strategic Support CSA

Strategic Support Public Works Department

Strategic Support Budget Changes

Adopted Strategic Support Changes	Positions	All Funds (\$)	General Fund (\$)
SAFE AND FUNCTIONAL PUBLIC INFRASTRUCTURE, FACILITIES, MATERIALS, AND EQUIPMENT (CONT'D.)			
4. Capital Improvement Program Support	(1.00)	(89,563)	0
<p>This action redeploys a Geographic Systems Specialist position that currently supports the Capital Improvement Program to the Public Works Development Fee Program. This redeployment is also discussed in the Regulate and Facilitate Private Development Core Service, located in the Economic and Neighborhood Development section of this document. The increase in development activity, combined with the decrease in projects supported by the Capital Improvement Program, necessitates moving these positions into the Development Fee Program in order for the Program to achieve cycle time targets and keep up with workload. (Ongoing savings: \$89,563)</p>			
Performance Results:			
Quality The impact of this reduction on the capital program is expected to be minimal as this reduction aligns with anticipated workload reductions in the Capital Improvement Program.			
5. Cellular Telephone Service Cost Efficiencies		(24,590)	(24,590)
<p>This action reduces the cost of cellular telephone service by 15% as a result of purchasing cellular telephone services and equipment under the Western States Consortium Agreement (WSCA) and optimizing rate plans to avoid overage charges. The impact of this reduction is a cost savings of \$254,372 city-wide, of which \$204,296 is generated in the General Fund. The cost savings in the Public Works Department, Strategic Support Core Service is \$24,590. (Ongoing savings: \$24,590)</p>			
Performance Results:			
No change to service levels will result from this action.			
6. Vehicle Maintenance Funding Reduction		(20,000)	(20,000)
<p>This action reduces vehicle maintenance and operations costs as a result of eliminating two Equipment Mechanic Assistant positions in the General Services Department and decreasing contractual services funding. The impact of this reduction is a cost savings of \$492,788 city-wide, of which \$394,230 is generated in the General Fund. The cost savings in the Public Works Department, Strategic Support Core Service is \$20,000. (Ongoing savings: \$20,000)</p>			
Performance Results:			
Cycle Time, Customer Satisfaction Cycle times for preventative maintenance and minor repairs may increase due to the elimination of staff and reduction in the ability to use contractual services for peak workload periods. Customer Satisfaction may be impacted due to possible cycle time increases, however, they are anticipated to be minimal due to the reduced fleet size.			
2004-2005 Adopted Strategic Support Changes Total	(9.09)	(912,002)	(255,522)

* This action was included in the 2004-2005 Proposed Operating Budget: Accelerated Proposals memorandum approved by City Council on May 4, 2004.

Strategic Support CSA

Strategic Support *Retirement Services Department*

Strategic Support represents services provided within departments that support and guide the provision of the core services. Strategic support within the Retirement Services Department includes:

- ☐ Retirement Boards' Support
- ☐ Training
- ☐ Contract Administration

Performance and Resource Overview

Strategic Support is an ongoing requirement to provide the core services of the department. There are no changes in Strategic Support for 2004-2005.

Strategic Support Resource Summary	2002-2003 Actual 1	2003-2004 Adopted 2	2003-2004 Forecast 3	2004-2005 Adopted 4	% Change (2 to 4)
Strategic Support Budget *					
Personal Services	\$ 173,892	\$ 205,727	\$ 211,179	\$ 211,179	2.7%
Non-Personal/Equipment	N/A	N/A	N/A	N/A	N/A
Total	\$ 173,892	205,727	\$ 211,179	\$ 211,179	2.7%
Authorized Positions	2.40	2.40	2.40	2.40	0.0%

* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.